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U.S. POLICY TOWARD SOUTH AFRICA

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UNITED STATES SENATE

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APRIL 24, MAY 2, AND 22, 1985

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U.S. POLICY TOWARD SOUTH AFRICA

WEDNESDAY, APRIL 24, 1985

United States Senate,
Committee on Foreign Relations,
Washington, DC.

The committee met at 9:05 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Richard G. Lugar (chairman of the committee) presiding.

Present: Senators Lugar, Mathias, Kassebaum, Trible, Evans, Pell, Sarbanes, Cranston, Dodd, and Kerry.

The Chairman. This hearing of the Senate Foreign Relations Committee will come to order.

The Chair would like to recognize the presence of the distinguished senior Senator from Connecticut, Senator Lowell Weicker, and the distinguished junior Senator from Kentucky, Senator Mitch McConnell. I understand that we will be joined in due course by Senator Kennedy of Massachusetts.

But in the interest of the time of our witnesses, I would like to call now upon Senator Weicker and to ask for his testimony. He will be followed by Senator McConnell.

Senator Weicker. Mr. Chairman, why don't I wait for Senator Kennedy, because we will testify together. If he doesn't come soon, I would be glad to appear by myself.

Perhaps Senator McConnell would care to go first.

The Chairman. Very well. I will ask Senator McConnell to come forward first, then.

Welcome to the committee and please proceed with your testimony.

STATEMENT OF HON. MITCH McCONNELL, A U.S. SENATOR FROM KENTUCKY

Senator McConnell. Thank you, Mr. Chairman. I appreciate the opportunity to be here this morning and to contribute to this ongoing discussion on South Africa.

Last week I made my first foreign policy speech on the Senate floor. Given my committee assignments, I could easily have gone for months without being heard from on any of these kinds of issues. Agriculture and Judiciary do not afford much of an opportunity to address international problems and, as you know from experience, Mr. Chairman, what you learn and review on the Intelligence Committee you can't talk about.

However, South Africa and its policy of apartheid have demanded my attention, certainly all of our attention, and prompted me to make that particular speech. I would like to summarize some of the problems I addressed and outline a proposal which Senator Roth and I believe may contribute to some sound, long-term solutions.

When I delivered my remarks, I spoke briefly, but hopefully, of the South African Government's announcement to support parliamentary repeal of the prohibition of the Mixed Marriages Act and the Immorality Act. I was also optimistic about promises made to the 100,000 residents of Crossroads, that they may not be forcibly moved back to their assigned homelands.

I find myself considerably less optimistic this week than I was last week and more concerned about the inability of our current policy to bring about a constructive change. I believe we are now paralyzed by policies that do not work and limited by proposals on the table which will not work.

During the past week, President Botha claimed 16 arrested leaders of the United Democratic Front [UDF] were Communists. Eight of the 16 members have been held without charges since December. Just yesterday, three more were arrested. Botha's charges are an outrageous characterization of a group with over a million members who have advocated peaceful change in South Africa. I am concerned that this claim does not bode well for the UDF members' legal prospects.

I was even more disheartened to learn of the testimony of an ambulance driver regarding the March incident at Uitenhage. He had evidence that many more had died than the 17 bodies publicly accounted for, following the police opening fire with automatic weapons on a large crowd.

It strikes me that, for every step forward the South African Government makes, they take far too many backward. These steps backward always seem to result in the loss of lives or liberties for the majority of South Africans. Moreover, every government initiative seems designed to reinforce the architecture of apartheid, a policy of separate and less.

This segregation is evident in the separate chambers of Parliament, separate residential areas, and separate educational systems. This segregation affects every black South African's life every single day. When you cannot travel free from the fear of arrest unless you carry a pass, you are not free at all.

I believe the administration shares our concern about apartheid. Indeed, Secretary Shultz has characterized it as morally indefensible. The President calls it repugnant. However, their concern is linked to and balanced by U.S. regional interests, such as Cubans in Angola, escalations in cross-border violence, and our reliance on South Africa's resources.

I am convinced today's broader regional concerns will be boiled down to one, single, explosive issue tomorrow: the injustice of apartheid.

Apartheid controls and constrains the lives of 21 million people. It is only a question of time before the restlessness evident in the frequent demonstrations turns to revolution. We can begin to help build for an orderly transition of power sharing, or we can watch helplessly as a disorderly transition unfolds and, as in Iran, a regime defiantly hostile to the United States gains power.

This morning, we will hear from Senator Kennedy and Senator Weicker with regard to their alternative to the administration's policy of constructive engagement.

While I concur with many of their observations, the audience for the bill which they have introduced is primarily the South African Government. Punitive measures, such as prohibiting new loans to the South African Government sends an important message of our discontent, and I might say that I support legislation which includes this language. In addition, I believe there are other effective, tough, measures, which are included in the bill Senator Roth and I will be introducing. We must persuade the South African Government that we are committed to immediate and significant reforms.

However, it is equally, if not more, important to develop and strengthen our relationship with members and representatives of the majority community. No black or nonwhite South African should doubt our interest, support, and commitment to the establishment of their basic political rights. There are 21 million diverse voices which must be recognized. They must be given the opportunity to contribute to decisions made about their lives by their government.

We can build our relationship with this community by expanding programs, such as the Human Rights Center, which Senator Kassebaum helped established 2 years ago. The list of accomplishments of this group is wide-ranging and impressive. Among many things, we have contributed to building legal libraries, provided equipment and funding for training for vocational skill development, and supported community programs assisting families that are forcibly resettled. The legislation Senator Roth and I intend to introduce will build on this record of achievement.

Our plan to build ties to and strengthen the majority community can include a number of other elements. For example, the projects sponsored by the Human Rights Center should be complemented by targeted expansion of educational and business opportunities for the majority. By strengthening educational, professional, legal, and economic opportunities for members of the majority, we are simultaneously serving our own long-term interests. We enhance stability as we forge an alliance with part of the population which, inevitably, will assume responsibility for the Government of South Africa.

Legislation and policy regarding South Africa must address the needs of the majority, as it convinces the current minority government that the United States is absolutely committed to a course of change.

In his address last week before the National Press Club, Secretary Shultz said, and I quote: "Indignation alone is not a strategy." I would agree. But neither is wishful thinking.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator McConnell. We appreciate your taking time to give this important testimony to our committee.

Let me ask if there are Senators who have questions for Senator McConnell before he leaves the witness table this morning.

Senator Mathias.

Senator MATHIAS. Mr. Chairman, I have no questions, but I share your appreciation for Senator McConnell's testimony here this morning.

The CHAIRMAN. Senator Cranston.

Senator CRANSTON. I would express the same views. I am delighted that you are here and I am delighted to hear your testimony.

Senator McCONNELL. Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, sir.

At this time, I will ask Senator Weicker to come forward and we will take just a moment for the opening comment of the Chairman and, likewise, Senator Cranston, I will ask you for an opening comment, too, on behalf of the minority. Then we will proceed, and perhaps Senator Kennedy will have arrived at that point. If not, we will then proceed with Senator Weicker.

I am delighted that we have this opportunity to turn to the South African question this morning. It is an issue which has concerned the Congress for some time.

Toward the end of the last session of Congress, efforts to legislate on this question on the Export Administration Act were well advanced. Since that time, there has been a rising level of interest and concern on the part of many Americans about our relationship with South Africa. This has reflected a rising level of violence within South Africa itself.

Last month, 19 blacks were shot by the South African police. Although this event has received much publicity in the United States, it is important to note that more than 300 people have been killed in recent months. Some of these people have been killed by the police. But many have also been killed as a result of violence by blacks against other blacks. One moving account describes a black community counselor who, having held off an angry mob, was left with one bullet. He had to choose between killing his 12-year-old son or himself. The other would face an excrutiating death at the hands of the crowd. He shot his son and he was then burned to death.

Americans have many friends among all races in South Africa. They want to know whether there is something we can do to help put an end to the violence and the injustice.

This is a difficult and complex question, and those who propose simple remedies ought not to be trusted.

But there is a concensus among Americans, I believe, that the system of apartheid must be dismantled and that black South Africans must be brought into the political and economic system to share power in a meaningful way.

Many Senators and Congressmen have made proposals about how to assist in that process. This committee will consider these proposals in an effort to determine what our policy should be toward South Africa.

Today, I will introduce a bill on South Africa. I will be joined by my colleague Senator Mathias and by the distinguished majority Leader of the Senate, Senator Robert Dole of Kansas.

I will not describe at length my own legislation, but I will say that it is intended to provide what I hope will be a strong mix of concern, encouragement, and incentive to guide our policies toward South Africa.

Today, the committee will receive testimony from several Senators who are deeply interested in U.S. policy toward South Africa, and we will then hear from the Assistant Secretary of State, Chester Crocker, who has been a major architect of this administration's policy toward South Africa in recent years.

Senator Dole has requested the presence of all Republican Senators this morning at an important meeting at 11 o'clock on the budget, and for that reason we will have to move along promptly and terminate the hearing at 11 o'clock. We may need to continue hearing testimony from Mr. Crocker at a later hearing.

The committee will, however, consider further testimony on South Africa next week, and following the conclusion of that hearing and any other hearings which are necessary, it would be my intention to set a date at which time the committee will mark up legislation on U.S. policy toward South Africa.

Before we turn to our distinguished witnesses, I would like to ask Senator Pell if he has an opening statement.

Senator PELL. Thank you very much, Mr. Chairman.

I commend you for holding this much needed hearing on our policy toward South Africa.

For almost four decades, South African blacks have been forced to live under an institutionalized system of racism known as "apartheid." Apartheid has denied blacks fundamental political, economic, and social rights in South Africa, the very land of their birth. It has placed restraints on their movements and has forced the majority of them to live in barren "homelands." It has deprived black children of an education equal to that of their white counterparts. Saddest of all, it has torn black families apart almost as much as slavery did more than a century ago in our Nation.

Apartheid is a morally repugnant and evil system for which there is no justification. The central question is: what can the United States do to hasten its demise?

For the last 4 years, the administration has tried to encourage peaceful change in South Africa through a policy of "constructive engagement." However, I question whether there can be "peaceful change" as long as the South African Government continues to use violence against peaceful protesters who are demanding fundamental rights. Indeed, I find an incongruity between the administration's advocacy of peaceful change in South Africa and its support for the "contras" who are trying to overthrow the Government of Nicaragua by force.

Last week, in his speech before the National Press Club, Secretary Shultz stated that the administration has "conveyed the message to the South African Government that a more constructive relationship with the United States is possible, provided that it demonstrates a sustained commitment to significant reform toward a more just society."

It is not at all clear that the South African Government's commitment to reform is sustained or that the reforms to date are significant. However, it is clear that the policy of constructive engagement is widely perceived by the majority of South African blacks as a failure and as American support for the white minority government at their expense.

Under these circumstances, I believe that it is time to reassess the policy of constructive engagement and to consider other ways in which the United States can demonstrate more effectively and resolutely its opposition to apartheid and its commitment to the promotion of real change in South Africa. As Abraham Lincoln once said: "What is morally wrong cannot be made politically right."

I think that the witnesses today, both of whom have been to South Africa recently, will be of very real interest to us and I thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Pell.

Senator Cranston, do you have an opening comment?

Senator CRANSTON. I have a very brief one, Mr. Chairman. Thanks very much.

It is a pleasure to join in welcoming my friends and colleagues, Ted Kennedy and Lowell Weicker, before this committee.

I want to say to the two of you that I applaud your bipartisan leadership on the issue of South Africa's apartheid.

Your testimony a few days ago before the Banking Committee, where I also sit, was perhaps the most forceful, straight from the heart, eloquent testimony that I have heard in my 16 years in the Senate. I am proud to be associated with the two of you in this effort to deal with apartheid.

As we consider the measure before us today, I believe it is essential for us to remember exactly what has brought us here. We are here today because an unspeakable wrong is being committed to millions of human beings each and every day in South Africa. We are here today because we have a moral obligation to speak and to use such power as we have to act against this wrong.

We are here today to translate the deep concern expressed by millions of Americans into action. And we are here today to advance the national interest of our own country, which requires us to distance the United States from the repugnant apartheid regime of South Africa.

I feel very strongly that the time has come for us to move beyond strong words and to enact strong legislation that takes effect now. As one who worked for nearly 2 years on that marathon Export Administration Act Conference to try to achieve such legislation, I want to express my appreciation to you, Mr. Chairman, for calling these hearings, and finally bringing us to focus on this issue.

This need not be a partisan issue. It is not a partisan issue. The Republicans and Democrats alike have come to the conclusion that it is time to enact legislation.

The principal purpose of this legislation must be to apply pressure to end apartheid where pressure is most needed, on the white minority of South Africa. To monopolize the political and economic power to oppress 23 million native South African blacks must stop.

We have already made some important progress on this issue in this committee. Acting under bipartisan pressures from Senator Mathias, Senator Sarbanes and myself, we last month became the first Senate body to adopt a package of economic sanctions against the apartheid regime. We adopted by an overwhelming 16 to 1 vote what, in essence, is the Kennedy-Weicker legislation before us, except the Foreign Relations bill has a 24 month delay in the application of these sanctions.

That was an historic vote and a good beginning, and the acceptance, in principle, of sanctions is a great forward step.

I hope the Foreign Relations Committee can try to make this effort with stronger legislation to take effect even more swiftly.

Thank you very much.

The **Chairman**. Thank you very much, Senator Cranston. We appreciate your comment and your leadership.

At this juncture, the Chair would like to call upon two distinguished colleagues who are before us, Senator Edward Kennedy of Massachusetts and Senator Lowell Weicker of Connecticut.

Senator Kennedy, would you be prepared to proceed with your testimony.

STATEMENT OF HON. EDWARD M. KENNEDY, A U.S. SENATOR FROM MASSACHUSETTS

Senator **Kennedy**. Thank you very much, Mr. Chairman.

I appreciate the courtesy of Senator Weicker in permitting me to speak first on this issue.

And I want to thank you, Mr. Chairman, for convening these hearings today. I also want to thank the members of this committee for the attention that they have given to this issue over the period of recent time. I am very hopeful that we can get a favorable response to the legislation that Senator Weicker and I and other Senators have introduced in the past weeks, S. 635. This bill follows a very important tradition and relies heavily on the work that other Members of our body have accomplished in recent years, and also certain Members of the House of Representatives.

The legislation which we urge this committee to adopt is legislation which is readily understandable. I am sure that members of this committee are already familiar with its contents. I would like very briefly to outline the bill and then to make some comments describing its impact in South Africa. What I also would like to do is submit a more complete statement for the record.

Mr. Chairman, the legislation we have introduced would ban new bank loans to the Government of South Africa as well as new investment and bank loans by U.S. persons to the South African private sector. It would terminate the importation of krugerrands to the United States, and restrict the sale of computers to the South African Government.

That, in substance, is the legislation. Attached to my prepared statement is a description of the impact of this legislation on the Government of South Africa.

Mr. Chairman, during the first 2 weeks of January, I had the opportunity to visit South Africa for the period of some eight days. It was under the sponsorship of Bishop Tutu and Allan Boesak, church leaders who are strongly committed to the cause of peaceful change and end to apartheid in South Africa.

During that period of time, as a result of their invitation, I had the opportunity to talk to not only black leaders from all aspects of life in South Africa—members of the press and leaders of the trade union movement, community leaders and even some black businessmen and women—but I also had the opportunity to talk to government officials and to a variety of white officials both in and outside of government involved in the life of South Africa.

I came back, Mr. Chairman, with some very profound impressions. I gained these impressions against a background of an earlier visit to South Africa that was made by a member of my family, my brother, Senator Robert Kennedy, some 18 years ago in 1966. My impressions are really balanced against his visit there—my consideration of his private views of that trip, his expressions in the press, and my own personal conversations with him after that visit.

Very briefly, Mr. Chairman, the present posture of the United States, the policy expressed as constructive engagement, is to use the words of Bishop Tutu, an unmitigated disaster.

There is incredible polarization in South Africa today, between the blacks and the whites, among the blacks themselves and, increasingly, among the whites. And there is extraordinary growth of anti-American feeling in South Africa today.

Some 18 years ago, when Robert Kennedy visited as a Senator—and I think his experience would have been very similar for other Members of the Senate who visited South Africa at that time and who had been in the civil rights movement—any representative of this body—and anyone who had been identified with the civil rights movement—was treated with a very special respect. The reason is that Americans had shown the path to eliminating the barriers of discrimination in the United States.

In the 1960's in our country, we were very fortunate to have church leaders who preached nonviolence, such as Martin Luther King. We had courageous judges in the fifth circuit of our country, primarily appointed by a Republican President, who understood the importance of the 14th amendment and the first amendment, and made extremely important judgments during that time that preserved the rights and liberties of individuals and the right of assembly. We were also very fortunate to have business men and women and also leaders in the labor movement who identified with the civil rights movement. We were also fortunate to have a Constitution of the United States that guaranteed individual rights and liberties and the right of assembly. We were able to make that important transition—from a situation where millions of Americans were denied the right to vote, prohibited from eating in restaurants and public accommodations, discriminated again in employment in the United States because of their skin. There was a whole range of civil rights actions taken during that period of time. And the United States was recognized as a leader in South Africa, not only among whites, but among black citizens, because we had paved the way for peaceful, nonviolent change.

But today the situation in South Africa is different. I would challenge any member of this body to visit South Africa—or challenge any American for that matter—and ask whether the star of the United States is rising or setting in South Africa. The standing of the United States in that country is at an all-time low.

I would dare say, Mr. Chairman, that after my visit there, I have come back with the most profound impression that there is an increasing hostility to the United States and to the U.S. Government and, I dare say, increasingly even to the people of our Nation, because of the policy of constructive engagement. That policy has been a catastrophic failure in South Africa today.

Now, Mr. Chairman, let me just say that I had the opportunity to see firsthand many faces of apartheid. I saw this in visiting workers in Soweto, living in the single-sex hostels there. I met one man who had lived in that hostel for a period of 20 years and had a life saving of $249. He was permitted to live with his family for only 3 weeks of the year.

We, as a country, are supposed to care about families. We hear many pious statements by Members of this body and others about the importance of families. They should know that apartheid divides families in a most important and significant way.

I visited communities like Mathopestad, where black families had lived for 142 years. Every night they go to bed, Mr. Chairman, they fear being uprooted and forcefully relocated.

I visited on Verwacht, a resettlement camp where 260,000 blacks have been moved—a barren, arid field, where there is virtually no employment, where there is one of the highest infant mortality rates in the world, where the one thing that grows in that blistering concentration camp is the graves of children.

We visited Crossroads and talked to men and women who have seen their homes destroyed by bulldozers. Every night they wonder if during the night their children are going to be under the tractor wheels.

Those factors responsible for these conditions—pass laws, influx control laws, the Group Areas Act, the homelands policies—exist today. They have not been modified or reformed by the South African Government. Integrating sports teams and allowing mixed marriages has not modified or reformed apartheid. The question to ask Mr. Crocker is when is the South African Government going to eliminate grand apartheid, not when will they tinker with the symbols of that policy.

Eight million people have been put into "homelands" and been stripped of their national citizenship since 1976. Three-and-a-half-million people have been moved forcibly in the last 25 years. Those are the essential aspects of apartheid.

Mr. Chairman, the fact is that over the last 5 years, there has been no movement on the essential elements of apartheid, which affects every aspect of life—education, the judiciary—every aspect of life in South Africa.

We hear the argument, Mr. Chairman, that if the economy would only expand and grow, conditions will improve and apartheid will vanish.

Hogwash, Mr. Chairman.

Look at the last 20 years. Read the Carnegie Commission Report. There has been an expanding economy but poverty among black people has increased, and apartheid has gotten worse.

We do not come here today and suggest that this legislation is the answer to all of the problems that exist in South Africa. And, Mr. Chairman, we understand that the question of dismantling apartheid is ultimately going to be resolved by the people in South Africa, black and white.

But we demand, Mr. Chairman, we demand that this system of apartheid not be furthered or strengthened any more by American investment and by American support.

This is not a divestiture bill, Mr. Chairman. This legislation is carefully aimed at the institution in South Africa that is perpetuating apartheid, the Government of South Africa.

Bishop Tutu has said that there should be a period of time, to see whether the South African Government will move to dismantle apartheid before moving on the question of divestiture. But on the questions of economic sanctions directed at the government, Mr. Chairman, Bishop Tutu has always been supportive.

This legislation is targeted to the government, to governmental action.

Mr. Chairman, I would say in closing that the importance of this legislation is to make our foreign policy consistent with American values. That is one of the very, very important reasons.

We are not here to say that if you pass this legislation, the problems of South Africa are going to be eliminated.

But it is important, Mr. Chairman, that the United States make consistent its policy toward South Africa with its fundamental and basic values. That is not the situation with respect to our policy today.

We believe, Mr. Chairman, that this legislation is a limited, modest, but significant proposal which can be a very powerful expression of American values and American principles. We would hope that this legislation would be accepted by the committee.

Thank you.

[Senator Kennedy's prepared statement follows:]

PREPARED STATEMENT OF HON. EDWARD M. KENNEDY

Mr. Chairman, I want to thank you for the opportunity to appear before you today to testify in support of The Anti-Apartheid Act of 1985, S. 635. I also want to compliment you—and your distinguished ranking member, Senator Pell—on the speed with which you have turned your attention to this important legislation. I know that you share our strong feelings about the system of apartheid, and I hope you will agree with me that today it is not enough to have strong feelings or to make strong statements. It is time for the United States of America to match our words with deeds.

Your decision to hold these hearings today—and to hold further hearings on this legislation at a later date—sends a signal to the Government of South Africa that apartheid is not a partisan issue in this country, that the people of the United States are in fact united and determined in their commitment to do what they can to assist in the effort to achieve peaceful change and an end to apartheid in South Africa.

The Anti-Apartheid Act of 1985 has four basic provisions:

First, it prohibits new U.S. bank loans to the Government of South Africa and to government entities in that country;

Second, it restricts new investment by U.S. firms in South Africa, including new bank loans to the private sector of that country;

Third, it prohibits the importation of South African gold coins, kruggerands, into the United States; and

Finally, it forbids the future sale of computers to the Government of South Africa.

We have prepared fact sheets on the impact of these measures on American financial institutions as well as their effect on the South African economy, and I would like to submit this material for the record for future reference.

As you know, I spent 9 days inside South Africa last January at the invitation of Bishop Desmond Tutu and Reverend Allan Boesak. The purpose of my trip was to examine the conditions of life for black people living under apartheid inside South Africa, and to see how the United States can best use its influence in the effort to achieve peaceful change and racial harmony within that country. My experience there, after traveling through South Africa and talking to a wide spectrum of black and white South Africans, convinces me that this legislation is necessary, and that it is the minimum that Congress should do in moving the United States toward a more active and effective policy to end apartheid in South Africa.

During my trip, I found that the polarization between the racial groups in South Africa has reached dangerous proportions. The fear and insecurity among whites is pervasive; the suspicion and distrust among blacks is deep and now almost impossible to overcome. The situation is deteriorating, and the escalating level of violence in that society, which in the past year has taken the lives of 250 black people, may now be reaching the point of no return. The General Secretary of the South African Council of Churches, Reverend Beyers Naude, predicted last week that, "This year will bring more polarization between the white ruling classes and the majority of the people, more clashes between the police and striking students and workers, more injuries and deaths."

In addition to this increasing polarization, there is also a much greater willingness in the black community to embrace radical solutions, to reject non-violence, to reject coalitions with whites, to reject democratic ideals and Western economic models—and worst of all for the future of American policy in Africa, to reject the United States.

It is no secret that the United States is now despised by large numbers of blacks inside South Africa. Twenty years ago, when Robert Kennedy traveled to South Africa, the United States was welcomed as an ally in the struggle for racial justice in that country, but we are now perceived to be participants in the oppression of the black majority. The United States is seen by black South Africans as the South African Government's closest friend in the international community, and the policy of "constructive engagement" is seen as providing aid and comfort to the architects of apartheid. As Winnie Mandela said to me during our visit, "Tell the people of the United States that constructive engagement is just another shoulder to the wheel of apartheid." And as Beyers Naude has warned: "Do not be surprised if the anger of black South Africans eventually turns to hatred or rejection of an American presence in Africa."

In proposing this legislation, we have been guided by a number of judgments.

First, the policy of "constructive engagement" and quiet diplomacy has been, to use Bishop Tutu's words, "an unmitigated disaster." That policy must be ended. As the President of Harvard University, Derek Bok, recently wrote: "Our current policies are easily mistaken for tacit acquiescence in a status quo that offends our most precious ideals and threatens to deteriorate in growing violence and instability." This legislation is designated to provide the United States with an active, not a passive, policy against apartheid.

Second, to implement this policy, the United States should take immediate, concrete steps to demonstrate this country's vigorous opposition to apartheid. Those steps must be practical, not just rhetorical, and they must be strong enough to communicate the depth of our nation's commitment. This legislation contains such measures.

Third, the United States should direct its energies and actions primarily toward changing the policies of the Government of South Africa. While there is much to be said for efforts to improve the conduct of American corporations doing business inside South Africa and to use those corporations as instruments of change inside that country, such efforts re inevitably limited in their scope, indirect in their effects and slow in achieving broad results. I admire the extraordinary work that Reverend Leon Sullivan and his signatory companies have done over the past 7 years. But it is the Government of South Africa that is the primary enforcer of apartheid; without fundamental change in that government's approach, there can be little hope for peaceful change.

Fourth, we must recognize that the United States cannot dictate to the people of South Africa, and we cannot impose a solution to South Africa's problems from the outside. South Africans—black and white—will make the decisions that determine that nation's future. If the United States wants to encourage reform there, it must begin to distance itself more clearly from apartheid, and to align itself more closely with the initiatives of the black majority. We should also support the pressures for peaceful change coming from the business community and opposition leaders in Parliament. Our nation's policies should signal our nation's support for the churches, the independent labor unions, the UDF, and community organizations committed to peaceful change. Our legislation is consistent with this approach.

Fifth, we should pursue policies that do not inflict significant hardships on innocent persons. We recognize that there are those who oppose any economic sanctions because of the potentially adverse effect on the black population of South Africa. This legislation has been carefully designed to avoid any such impact. This legislation does not call for divestment; it will not throw any blacks out of work or impede the progress of independent black trade unions.

Finally, the United States should take steps to reduce the active complicity of Americans in the apartheid system. While we can debate whether the presence of American corporations inside South Africa has been helpful in the effort to end apartheid, the United States should not permit further direct funding of the apartheid system—either through loans to the Government of South Africa, or through the purchase of South African krugerrands in the United States. Every bank loan to the government, every purchase of a krugerrand, is a symbolic—and economic—gesture of American support for apartheid, and the time has come to halt such support.

Moreover, the history of South Africa refutes the argument that an ever-expanding South African economy is the surest path to peaceful change and political reform. As Professor Stanley Greenberg of Yale has written: "This easy association between economic growth and political reform lacks an historic foundation in South Africa; more than a century of industrial development has been accompanied by more, not less, racial discrimination."

Contrary to official pronouncements by the South African Government, the United States has substantial leverage inside South Africa. While I was in South Africa, I heard a universal refrain from government ministers, "We do not care what the United States does or says. We will decide for ourselves, and we will proceed at our own pace." But their extreme interest in and concern about events inside the United States, with the demonstrations at the South African Embassy, and with the divestment campaign, was evidence that most South Africans care very deeply about what Americans think, do and say about apartheid. Sadly, we are perceived as the last friend they have, their last chance to hold the line against substantial change.

The United States cannot have it both ways. We cannot remain a friend of apartheid, and also remain true to our founding principles. The Anti-Apartheid Act of 1985 will send an important message, not only to the 23 million black people of South Africa, but to opposed people throughout the world that America is truly on the side of human rights, liberty and justice for all.

Before concluding, I would like to address the arguments of some apologists for the South African government that there has in fact been change inside South Africa, and that the white leadership of that country is committed to fundamental reform. My experience in South Africa suggests otherwise. The conditions of life for most black people in South Africa are appalling and have become worse, not better, in recent years, and the system of apartheid has become more pervasive and pernicious than ever before.

Black people in South Africa are still barred from any significant role in the economic, political or social life of the country for no reason other than that they are black. For black South Africans, color is still the single most powerful determinant of their lives. Where they live, where and how they travel, what they read or see or hear, who they meet, how they are educated, what they do for a living, how much money they earn, what property they own, what kind of medical care is available, where they worship, what they can hope to achieve for themselves and for the members of their families—all of these fundamental issues in the life of any human being are, for black South Africans, still sharply curtailed and carefully controlled by the system of apartheid. Racism is the overwhelming fact of life for every black person, in South Africa today. In this respect, there has been no change, and certainly there has been no improvement, in the lives of most black people in South Africa over the past 40 years. And in recent years, the structures and the strictures of apartheid have increased, not declined. The policies and institutions of apartheid have become more sophisticated, more effective and more entrenched. Few blacks in South Africa today would dispute the notion that apartheid as a political and social system of institutionalized racism is now worse than it ever was, and that the mechanisms of control are more comprehensive and more effective than ever before.

The system of migratory labor now operates with computerized efficiency to guarantee a large pool of poor, unskilled, low-cost black workers for the large, affluent white communities in the major cities. Black families are forced to live in inhospitable, economically unproductive homelands, while the male workers live for 49 weeks of the year in single-sex, barrack-style hostels, like the Nancefield hostel that I visited in Soweto. These hostels are located in black townships just outside the urban centers of the nation, and the workers are transported each day into the city to perform menial tasks. This sophisticated and technologically well-ordered system of state-run labor divides families, depresses wages and guarantees an ever-ready, trouble-free supply of plentiful and cheap manual labor to service the needs of the white society. Individual records of all registered black South African workers have been logged into computers, thereby guaranteeing a high degree of political and economic reliability for potential employers.

I visited a man who had lived for 20 years in the Nancefield Hostel, where the living conditions are a disgrace. He was able to see his family in the Ciskei once a year, and in his 20 years of labor, he had been able to save only $265. Neither the policy of "constructive engagement" nor the government's so-called program of reform has changed this system of migratory labor.

In addition, the resettlement camps continue to grow, with entire areas like the Ciskei being transformed into one immense resettlement camp. In these camps, such as the one I visited in Onverwacht, unemployment hovers around 50 percent, and the conditions of daily life are inhuman. In some camps, the climate is so harsh, the people so poor, the shelter so sparse and the basic human services so meager that the infant mortality rate for children during their first year of life frequently exceeds 40 percent.

The pass laws still operate and are still enforced with fines and jail terms, but these laws are now applied with an unprecedented efficiency achieved only by computers. The number of arrests for violations of pass laws doubled from 1980 to more than 200,000 annually in 1982 and 1983. Scores of black people are sentenced every morning in the courts of Johannesburg to "ten rands or ten days."

Until recently, forced relocations of black communities continued to occur, so that many families that had lived in their towns for four generations or more—like those I met in Mathopostad—face the daily possibility that the soldiers will arrive with trucks and bulldozers, and the entire community will be uprooted and moved to a strange and distant place. Since 1960, under this policy, 3½ million blacks have been forcibly removed from "white areas."

The homelands policy and the pernicious practice of "denationalizing" black South Africans continues. Since 1976, more than 8 million Africans have been deprived of their South African citizenship because of this policy, and between 1960 and 1980, the proportion of the African population officially residing in the homelands increased from 40 percent to 53 percent.

Politically, apartheid is now part of the constitutional structure of the South African state. Before the new constitution was adopted, the exclusion of blacks from participation in the political life of the country was a matter of legislation that could be modified or repealed by Parliament; but blacks are now excluded constitutionally from playing any role in the national government. For blacks, the new constitution was a major step backward, a further entrenchment of apartheid.

The South African Government argues that the conditions of life for black South Africans are better than for black people in other African nations. Even if this were true—and in health care, employment and poverty levels among rural blacks, it is demonstrably untrue—it is irrelevant for black South Africans. They regard themselves as South African citizens entitled to have a fair share in the economic benefits that accrue to the nation as a whole. They justifiably compare themselves to other South African citizens—and in that comparison there is no real dispute. In contrast to the comfortable lives of whites in South Africa, blacks live in squalor and misery.

In fact, the economic conditions for most black people have become worse, not better in recent years. According to the Carnegie Foundation's Second Inquiry on Poverty in South Africa, there has been an increase in poverty among South Africa's rural black population since 1960. According to this study the dimensions of poverty inside South Africa have been "decisively affected by apartheid," particularly the land laws, the pass laws and the housing policies of the government. For example, the number of people made destitute by landlessness and unemployment rose from 250,000 in 1960 to 1.43 million in 1980, and the number of people living below the poverty line increased from 4.9 million to 8.9 million. The proportion of the population receiving no visible income at all rose from 5 percent to 13 percent between 1960 and 1980. According to the Director of the Carnegie Inquiry, Professor Francis Wilson of the University of Capetown, "The people who are poor in this country are poor because they are on the wrong side of apartheid."

SUMMARY OF S. 635—THE ANTI-APARTHEID ACT OF 1985

First, it prohibits new U.S. bank loans to the Government of South Africa or to any other governmental entities in South Africa, such as the so-called "homelands" or any government-controlled corporations. This prohibition does not apply to loans for educational, housing or health facilities available to all South Africans on a nondiscriminatory basis.

Second, it prohibits new investment by U.S. firms in South Africa. Under this provision, the establishment of new enterprises or the expansion of existing enterprises in South Africa would be prohibited. New loans from U.S. banks to private, nongovernmental entities in South Africa would also be prohibited. Reinvestment of earnings from existing business operations in South Africa would not be affected. These provisions are subject to a waiver, as described below, based on progress toward ending apartheid.

Third, it prohibits the importation of South African gold coins, called "krugerrands," into the United States. Krugerrands already in circulation in this country would not be affected. This restriction is also subject to a waiver, as described below, based on progress toward ending apartheid.

Fourth, it prohibits U.S. computer sales to the Government of South Africa or to any governmental entities; the prohibition also covers spare parts and services for computers.

Waiver.—The President, with the consent of Congress, may waive the second and third prohibitions, relating to new investment and the importation of South African krugerrands into the United States, if any one of the following eight steps toward ending apartheid is met:

(1) South Africa ends its discriminatory migratory labor system, and permits the families of Black employees to live near their place of employment.

(2) South Africa ends its restrictive employment system, and permits Blacks to seek jobs in any part of South Africa and to live wherever they find jobs.

(3) South Africa eliminates its denationalization policy, by which Blacks are denied citizenship in South Africa, and are made involuntary citizens of the "homelands."

(4) South Africa ends its forced relocation policy, under which Blacks are forcibly uprooted from areas designated for whites.

(5) South Africa eliminates all residents restrictions based on race or ethnic origin.

(6) South Africa enters negotiations with Black leaders to end apartheid and achieve full participation of Blacks in the social, political, and economic life of that country.

(7) An internationally recognized settlement for Namibia is achieved.

(8) South Africa frees all political prisoners.

International cooperation.—Finally, the legislation directs the President to work through the United Nations and with other countries to persuade the world community to adopt similar economic sanctions against South Africa.

House bill.—Identical legislation (H.R. 1460) has been introduced in the House of Representatives by Congressman Bill Gray (D.-Pa.)

FACT SHEETS ON THE IMPACT OF THE ANTI-APARTHEID ACT OF 1985

Bank loans to the Government

The total value of all U.S. loans to all South African borrowers for 1984 is roughly $4.6 billion. The top 9 U.S. banks account for $2.9 billion.

Loans outstanding in 1984 to the South African public sector by all U.S. banks totaled $374 million. United States bank financing for the South African public sector has declined by more than 50 percent since 1978.

U.S. lending to the South African public sector represents only 5 percent of South African public debt to foreign lenders.

At least two other countries—Japan and Sweden—have adopted policies prohibiting their financial institutions from extending credit to South African Government entities.

Many U.S. educational institutions, e.g., Harvard, Yale, Columbia and Stanford, have divested holdings in banks that extend credit to the South African government.

Twenty six U.S. banks have independently adopted a policy prohibiting bank loans to the South African public sector. Among those banks are: Chase Manhattan, Bank of America, Chemical Bank, Bankers Trust, First National Bank of Boston, Mellon, First National Bank of Atlanta, Citibank, Morgan Guaranty Trust, Bank of Boston and First National Bank of North Carolina.

Computer Sales to the South African Government

The total sales of U.S. computers to South African entities in 1984—public and private—was $184.6 million. U.S. companies dominate the South African computer market, supplying 70 percent of all computers to that country.

IBM is the single largest U.S. computer company doing business in South Africa, and it has the largest share of the South African computer market. IBM has stated that, of all their computer sales in South Africa, less than one-sixth of those sales are to the South African Government.

If other companies adhere to the IBM pattern, total U.S. sales to the South African Government would be approximately $30.8 million annually.

NOTE.—The United States currently reviews computer sales to South African Government departments that administer apartheid to determine whether the computers in question will be used to enforce apartheid, and the U.S. Government also reviews computer sales to South Africa's military and police to determine whether they will contribute to military and police functions.

But these controls are not sufficient.

In 1982, the Administration terminated all controls on sales of a wide range of personal computers to South African military, police and other agencies that enforce apartheid. And, under these current controls, a number of highly controversial computer licenses have been granted. For example, the United States licensed sale of two computers useful for nuclear weapons development to a South African Government controlled research institute and the sale of a sophisticated computer to an arms manufacturer. South Africa has also become a channel for illegal computer sales to the Soviet Union. A Defense Department official recently commented that a sophisticated computer transhipped from South Africa to Germany destined for the U.S.S.R. should never have been sold to South Africa in the first place.

This legislation, if enacted, is only slightly stronger than the provision that existed in 1982.

Krugerrands

Krugerrands are named after the "father" of apartheid, Paul Kruger, and are the best known coin in the world.

Krugerrands were first minted in 1967 and were the first gold coin to contain exactly 1 ounce of gold. They are the most widely held gold coin in the world. The availability of krugerrands makes gold ownership more accessible to more investors and thereby increases demand for one of South Africa's major exports.

The coin is a joint effort of the South African Chamber of Mines—a consortium of mining companies—and the South African Government. They sell at a 3 to 4 percent premium over the price of an equivalent amount of gold. The government taxes the production and sale of gold, through which it obtains a significant proportion of its revenue. In 1981, the South African Government received 24 percent of its revenue from gold sales, 15 percent in 1982. The variation is due to the volatile nature of gold prices.

The South African Government earns 40–50 percent of its foreign exchange through gold sales.

The coins are distributed worldwide through 14 "primary" distributors. Three of those distributors are in the United States. According to the U.S. Treasury, for the 10-year period 1973 through 1983, the United States accounted for an average 37 percent of all South African coin exports with an average value of $558.8 million.

Many U.S. banks, such as Citibank, have already halted trading in krugerrands.

In 1983, the sale of krugerrands inside the United States amounted to $450 million. In 1984, the sale of krugerrands inside the United States jumped to approximately $600 million.

New investment in South Africa

In 1983, direct U.S. investment in South Africa—measured in the current value of present and past investment in plants and equipment—amounted to $2.3 billion, second only to direct investment by Great Britain. This was down from $2.6 billion in 1982, probably because of the ongoing recession in South Africa and, at least in part, due to anti-apartheid activity in the United States. (In 1970, U.S. investment in South Africa was $864 million.)

The current level of direct U.S. investment in South Africa represents approximately 1 percent of all American foreign investment.

There are 284 U.S. companies operating in South Africa. 57 are among the top 100 largest firms in the United States, according to Fortune magazine. 123 are signatories to the Sullivan principles.

U.S. firms reportedly control 70 percent of the South African computer industry, 45 percent of the oil industry, and 33 percent of the auto industry.

Last year, American companies took out more money from South Africa than they invested. In 1984, there was a net flow of $49 million from South Africa to the United States. This was in the form of profits and dividends to U.S. companies doing business in South Africa.

The manufacturing sector accounts for 45 percent of U.S. investment.

North and South American nations account for approximately 25 percent of all foreign investment in South Africa. The EEC accounts for 63 percent.

The ultimate impact of a freeze on new investment can only be measured on a company-by-company basis. Many U.S. companies operating inside South Africa—such as G.M., Ford, Kodak, Kimberly Clark and Control Data—have already adopted policies of no new investment in South Africa.

Japan, Norway and Sweden have adopted policies prohibiting new investment in South Africa.

The CHAIRMAN. Thank you very much, Senator Kennedy, for your strong and eloquent testimony.

Let me ask if it would be permissible for Senator Weicker to proceed and then for both of you to be questioned together by the committee. That would be our preference if that is within your timeframe.

Senator Weicker, would you please proceed.

STATEMENT OF HON. LOWELL P. WEICKER, JR., A U.S. SENATOR FROM CONNECTICUT

Senator WEICKER. Thank you, Mr. Chairman. I think there is little that I could add to Senator Kennedy's testimony. It is the testimony of one who has seen firsthand what we discuss in a legislative sense back here in Washington. I think that is what brings about the passion and, I might add, the properly directed passion of the Senator.

I have a statement which I will ask be submitted in its entirety for the record.

Senator Cranston, in his opening remarks, made the comment as to what it is that brings us together on this issue, citing the death, destruction, and mayhem, that is the consequence of apartheid.

I think that is certainly true.

I think it is also true that what brings us together is the desire to avert tragedy, tragedy which, I might add, escalates every day and, by virtue of inaction, is destined very soon to reach proportions which will be beyond the control of anyone either within or without the Government of South Africa.

In the last several days on television, due to other events, all of us have seen the memorials to the slaughter of the European Jews. We have seen pictures of the abandoned Bergen-Belsen, we have seen an abandoned Marienstadt, or Auschwitz, or Dachau, or whatever. Those are memorials.

I would suggest to you that the day is going to come, whether it is a Sharpesville, or a Uitenhage, that those are going to be the memorials of South Africa, memorials that black parents will point out to their children as having been the fire which they had to go through in order to establish their uniqueness, their dignity, and their humanity.

I want it to be said of the United States that in this particular instance we did not wait, but, rather, that we shared their burden.

I don't think there is much time left to do that.

I am delighted that I heard my friends, Senators Mitch McConnell and Bill Roth, go ahead and introduce legislation, that you, Mr. Chairman, have introduced legislation, and Senator Kassebaum. But I think we had all better get our act together and get something through here. I do not think the differences are so great that they cannot be resolved.

What I think is important is that we act.

I do not think it is something that can be put on the back burner. You have a foreign aid bill coming up and I think that is important. But there is no reason why this matter cannot be addressed simultaneously and reported out simultaneously.

There is an urgency of action. The 2 years that Bishop Tutu referred to, I suspect the clock started to toll on that several months ago. That statement was made 6 months ago. I certainly do not expect that we are going to wait around here for 2 years from now, or from next month, or from the end of this session of the Congress—not, indeed, if we want to share with the blacks of South Africa the job of dismantling apartheid.

There are those who ask will economic sanctions work. I am reminded of the fact that the last time I came before this committee—the last time I came before this committee—was in conjunction with Senator Cranston, when we asked for economic sanctions on Uganda. Everybody raised the same argument at that time: Economic sanctions do not work, when have you ever known them to work.

Well, they worked They worked. We were the No. 1 trading partner of Uganda, specifically insofar as their coffee crop was concerned. When we imposed those sanctions, Idi Amin was not very long in the leadership of that nation and all the terror that that implies.

Why is it that we can get so exercised about an individual, such as Idi Amin, when, indeed, this system in South Africa is just as evil?

So, make no mistake about it, as the No. 1 trading partner of South Africa—and I might add that the top five include our closest allies—I think economic sanctions will have a very important effect on that government.

This is not, as the Senator said, a disinvestment bill. It directs itself to the Government of South Africa, and properly so.

So, Mr. Chairman, I suggest that we get this behind us. There are no burning issues out here as to what is involved.

Very simply, in description of what takes places, it is absolutely no different than the laws passed by Nazi Germany in the 1930's, no different at all. This is no historical revolution as far as the Government of South Africa is concerned. This started in 1948, as part of a political platform of legalized racism and legalized genocide.

All we have to do is to summon up the will and go ahead and exercise that leadership, which is expected of the United States.

I am always reminded in these tough situations—and this is hard. It means we have to abandon some traditional concepts and we have to reach out. But, to sum it all up, in the lines of James Russell Lowell, "Then it is the brave man chooses, while the coward stands aside till the multitude make virtue of the faith they had denied."

What we are seeking here is what this nation has believed in since its inception, and which is now just being torn to shreds by our "ally."

I don't think we can look the other way any longer.

Sure, you, as I, are upset at seeing the shootings, at seeing the bombings. But you should be just as upset over the fact that this policy has translated itself into the fact that every child in the "homelands," areas set aside by the Government of South Africa, every child 5 years of age and under, one out of every two of those children, will die before it reaches 5 years old.

Do you think this is just philosophy or policy? The only difference is that the cry is too small to be heard.

I think that is the kind of cause tht we are well suited for as a nation. At least I hope we are. But that does mean that we act and that we act now, that we do not sit around here and shuffle this around, hoping it will go away. It won't go away. And if we go away, then, indeed, we have done dishonor to the trust that is ours as Senators.

Thank you.

[Senator Weicker's prepared statement follows:]

Prepared Statement of Hon. Lowell P. Weicker, Jr.

Mr. Chairman and members of the Committee, I appreciate this opportunity to appear before you as you consider our policy with respect to South Africa and the system of apartheid. I believe it is vitally important that the Congress act during this session to place the United States squarely on the side of the oppressed, rather than the oppressor, and establish a mechanism through which we can encourage constructive change. I look forward to working with this Committee to fashion a measure which can be supported by the vast majority of our colleagues and be signed into law.

I would like to use my brief time this morning to provide historical and factual background for the Committee which establishes the context in which we must act. It is the opinion of this Senator that ignorance of the history of South Africa and misconceptions about it have prevented the American people from taking a firm and unequivocal stand against the system of apartheid, which relegates 23 million South African blacks to sub-human status.

In a recent OpEd piece in the New York Times, Elie Wiesel, who has written so powerfully and eloquently of the Nazi holocaust, described his reactions after a visit to South Africa. "What I understood in Soweto is that racial laws are wrong, not only because they result in collective and individual oppression, but also, and especially because they are laws. Racism itself is dreadful, but when it pretends to be legal, and therefore just, it becomes altogether repugnant. Without comparing apartheid and Nazism and to its "Final Solution"—for that defies all comparison—one cannot but assign the two systems, in their supposed legality, to the same camp."

Apartheid is a creature of law in South Africa. It is a series of statutes enacted by the South African Government to impose a racial standard on every aspect of South African society. Where a person may work or live, what kind of education or health care they are entitled to, where they may travel or with whom they may associate—all subject to the arbitrary distinction of color. As a nation whose existence depends on the rule of law and which seeks to build respect for law world-wide, we can ill afford to remain silent in the face of a system which attempts to "legalize" injustice. As Abraham Lincoln said, what is morally wrong cannot be made politically right.

It is a common misapprehension that in South Africa we are dealing with a vestige of the colonial period which has somehow survived into the 1980's. While there has been de facto segregation of blacks through this century, the legal system of apartheid has been built up incrementally since the coming to power or the National Party in 1948. Most of the major apartheid statutes were enacted in the fifties and the early sixties. For those who argue for loyalty to our World War II ally as a reason for letting South Africa be, I would point out that the National Party wanted South Africa to remain "neutral" in World War II (i.e. "neutral" in favor of the Nazis) and had they been in power at the time, they would have.

The parallels between the legal framework of South African apartheid and Nazi anti-semitism in the 1930's are inescapable. What began in both cases as a political appeal to racist elements in the two societies, eventually became the law of the land.

The Nazis came to power in Germany in 1932 on a platform of economic revival and decisive leadership. Soon after coming to power, they began an anti-Communist campaign. In 1933, a law was passed excluding "non-Aryans" from the civil service and requiring classification of citizens by race. Then a "National Press Law" excluded Jews from the press. Educational opportunity of Jews was then limited. Finally in 1935, Jews were declared non-citizens, forbidden to marry non-Jews, and denied protection of German law, under the Reich Citizenship Law and the Law for the Protection of German Blood and German Honor.

The legal foundations of apartheid are strikingly similar. Laws entitled The Prohibited of Mixed Marriages Act, the Population Registration Act, and the Suppression of Communism Act were passed in 1951. Finally the Bantu Authorities Act attempted to force blacks into tribalism and deny them political rights. And since that time the legal grip of apartheid has steadily tightened.

As it was built brick by brick, law by law, apartheid can be dismantled in the same way. The United States must do everything it can to encourage that process. Change will come in South Africa, one way or the other: as a matter of law or through violent conflict. Time is running out for a process of peaceful change. As Bishop Tutu, Allan Boesak, Beyers Naude and others have warned, the cycle of violence may soon become uncontrollable.

As leader of the black opposition in South Africa for decades, Nobel Prize winner Chief Albert Luthuli argued peaceful protest in order to win concessions. It did not happen. Leadership passed to Nelson Mandela, who advocated violence against inanimate objects, such as government buildings property in order to win concessions. They have not been forthcoming. What will be the methods advocated by tomorrow's leaders as they seek justice after years of increasing repression? We must act to support those who seek peaceful change and work to hold back the destruction of a race war in Southern Africa. In such a war millions would die and the United States would suffer greatly. That is why we are there, to try to avoid that bloodshed. I believe we may be able to do so if we act.

The legislation which I introduced with Senator Kennedy, S. 635, which was referred to the Banking Committee, deserves this Committee's careful consideration. In it are the tools, I believe, to encourage a peaceful process of change. The strength of the bill which Senator Kennedy and I introduced is its conditionality: it provides incentives to the South African Government to institute reforms. The bill would create two classes of sanctions: sanctions against the South African Government; and restrictions against U.S. investments and importation of krugerrands. The second group of sanctions would be subject to a waiver if the South Africans institute any one of eight reforms specified by the bill. This is not a "disinvestment" bill, in which the United States cuts and runs. It is a measure designed to maximize the leverage the United States enjoys because of its economic involvement in that country.

Finally a word about economic sanction as a matter of national policy. Economic sanctions have been used and are being used by the United States in many situations. We have trade embargos against Cuba, Vietnam and North Korea. We have outlawed U.S. importation of Libyan oil. Through the Jackson-Vanik amendment we made Most Favored Nation status conditional on free emigration. I note that legislation has been introduced by Senator Kassebaum and others to institute economic sanctions against Nicaragua. The last time I was before this Committee was to support an embargo against Uganda, which passed the Senate and within months Idi Amin was gone. The question is not whether sanctions are an appropriate foreign policy tool, but where.

I believe the South African Government will only trust the sincerity of our opposition to apartheid when we back it up with economic measures. To do less would call into serious question our commitment to the ideals of equality and the rule of law and risk a new holocaust in Africa.

I came to Washington 16 years ago and everyone told me the situation would take care of itself. Well, it has. It's taken care of hundreds of thousands of blacks in South Africa who are no longer alive. We worry about the few who were shot in the Eastern Cape last month. What about the one out of every two children in the so-called "homelands" that dies before reaching the age of five. Their cries are too small to be heard.

Mr. Chairman, I don't care so much what is you pass, as much as I care that the Senate and the United States does something to take this out of realm of "let it resolve itself." We must enact legislation which places us on record as a matter of law, in favor of the ideals of the Constitution of the United States. And that is why South Africa's problems and ours are not the same, because we have a Constitution whose ideals are in the stars. The laws of South Africa are in the gutter.

The CHAIRMAN. Thank you very much, Senator Weicker.

The Chair would like to ask that members on the first round of questions or comments to our colleagues, Senator Kennedy and Senator Weicker, stay within a 5-minute time limit, so we will have the clock run for that period.

I would like to commence by mentioning a point already made in this morning's hearing by Senator Cranston, in which he pointed out, correctly, the leadership that he and Senator Mathias took during the markup of the foreign assistance bill.

The hour was fairly late, as I recall, 7 or 8, moving on toward 9 o'clock at night. But the issue was pursued, and, essentially, the elements that are a part of the economic sanctions action that Senator Kennedy is calling for, those four points, were incorporated in the legislation that Senators Mathias and Cranston advocated.

I have not studied and tracked carefully, word by word, whether the bill is essentially the same, although my recollection is that it is very similar.

The distinguishing characteristic was the testimony of Bishop Tutu with regard to the 2-year waiting period. This has been commented upon in your testimony today.

Let me just say that I have incorporated the action that we took by a vote of 16 to 1 that night in the legislation that I have introduced today. I suppose the other aspect of it, on which I did not really ask for the comment of our witnesses on today, but would ask for their consideration of, concerns the constructive points of attempting to take governmental action on our part to help blacks in South Africa, in educational and humanitarian ways, through American businesses and through presences that we now have.

I think there are ways that we can testify to our concern and perhaps be effective.

I think all of us know that each of these actions that are taken are limited in their effectiveness. But I think we are united in wanting to make a statement, and to do so in a timely way.

So I would just state, as chairman of the committee, that this is the reason we have proceeded with the hearings, as promised, and we will move along promptly to other hearings as witnesses may be heard, and then will move to a markup so that then there will be a definitive action by the committee, one that I hope can incorporate a fairly broad base of support in the Senate.

This we have tried to work for from the beginning and will continue to do so.

Let me now recognize the Senator from Rhode Island, Senator Pell, for questions or comments he may have this morning.

Senator PELL. Thank you very much, Mr. Chairman.

Incidentally, is there a copy available of the bill that is being introduced?

The CHAIRMAN. There will be soon. It is being mimeographed or duplicated.

Senator PELL. Fine. Thank you.

I would like to ask the witnesses what they would think of the idea of most-favored-nation treatment being withdrawn from South Africa. I realize that its economic significance would not be great. But its political and moral significance would be tremendous. One of the reasons we do not grant MFN treatment to the Soviet Union is its refusal to allow freedom of emigration to Soviet Jews and other Soviet citizens. We withdrew MFN treatment from Poland because of its problems in the area of human rights.

Why should we not move ahead in this way with respect to South Africa? It would have no great economic impact, but tremendous political and psychological impact could be achieved by suspending MFN for the Republic of South Africa. This action would lump South Africa in with other countries that abuse human rights freedoms, such as the Soviet Union.

Senator WEICKER. Well, to speak for myself, I think it is a good idea.

Senator PELL. Great.

Senator WEICKER. I think the reason why we do not do it is very simple: We use that as a tool against "communist" regimes, but, for some reason or other, regimes of the right, other totalitarian regimes of the right, they are not so bad.

Well, I don't know about your point of view, Senator, but I don't give a damn whether totalitarianism comes from the right or the left. We ought to go ahead and express ourselves.

Senator PELL. You don't mind too much whether it is totalitarian or authoritarian.

Senator WEICKER. No. One way or other, I think your suggestion is an excellent one. There is no reason why not.

Senator PELL. What would be your reaction, Senator?

Senator KENNEDY. Senator Pell, I think our approach is more effective in its impact. Basically, denying MFN status would be a slap on the wrist.

Senator WEICKER. Ted, I don't think he means as a substitute. I think he means in addition.

Senator KENNEDY. It's fine. I have no objection to it. I think as an add-on, it is fine.

I would vote for it, but I do not think it should be a substitute for this legislation. As an add-on, I have no objection to it.

Senator PELL. I don't think you heard me. I was not suggesting it as a substitute. I was suggesting that it be part of any package that we report out because I recognize, as I said, that the economic impact is small. But the psychological and political impact is large when we lump South Africa in with the Soviet Union. I think it would have a profound psychological effect.

Senator KENNEDY. I would support it, Senator, but denying most-favored-nation status has a much more dramatic impact in some countries than it does on others. I think we have to be realistic that its impact in South Africa would be negligible.

I would vote for it. But we should not take our eye off what I think would have more of an impact on the Government, which implements and defends the policy of apartheid.

Senator PELL. You do not feel that to be lumped in as a twin, as a clone, of the Soviet Union, would have a certain political impact on their Government?

Senator KENNEDY. Well, as I said, I will vote for it. It may. But I am as interested in having an economic impact as in the public relations aspect.

I have no objection to it.

Senator PELL. Well, we agree. It has no great economic impact.

Senator KENNEDY. And I am for it.

Senator PELL. Thank you.

Now, as to the reactions of the blacks in South Africa, some, like Chief Buthelezi, do not advocate disinvestment or slowing down of investment. But my understanding is that he would represent a minority view.

What would be your reaction to that?

Senator KENNEDY. This is not a disinvestment bill. It is targeted to the Government. Its impact in terms of black labor would be minimal.

I have other views on the whole issue of disinvestment, which I would be glad to expand on. But just with regard to this legislation, it is not a divestment bill.

Senator WEICKER. I think the point that the Senator makes, that Ted makes, is excellent. The opponents to this legislation for some reason are trying to get it out that this is a disinvestment bill. It has nothing to do with divestiture or disinvestment. Absolutely nothing. So let us understand what is before the body.

There is not a word of that in this legislation that we have before you, not a word.

Senator PELL. But it is prospective, isn't that correct?

Senator WEICKER. No. It does not deal with that issue.

The only thing it says is that there can be no new loans to the Government of South Africa, no new investments. It has nothing to do with divestiture. It is not in the bill.

Senator PELL. Good. Thank you.

Senator KENNEDY. As I said, I would be glad to give my position on that.

Senator PELL. Thank you.

The CHAIRMAN. Thank you, Senator Pell.

Senator Mathias.

Senator MATHIAS. Thank you, Mr. Chairman.

As you have pointed out, this committee has already favorably reported a bill on this subject.

This committee is already on record as condemning the policy of apartheid. I do not think there are any of us in this room, either at the witness table or at the Committee table, who are in any disagreement whatever on a total, complete, immediate condemnation of the policy of apartheid.

What we are dealing with here, however, is not our own commitment, but an attempt to persuade, convert, and commit the power structure of the Republic of South Africa to share at least some part of our feeling, to move them to some action which will change the conditions of life for the black majority in South Africa. That really is the job that we have.

We do not need to convince each other. We need to convince them. We have to do it in a way which will bring about change without bloodshed, without violence, without even greater human misery than is already existing today.

We see the rising curve of violence, which is ominous and which is concerning.

I think the question we have to ask ourselves is how can we bring about the fastest change with the minimum amount of loss of life and human distress. That really of course is the connundrum.

Bishop Tutu, who lives the problem in a very real sense not only as a black African, but as a priest who is concerned for the lives and welfare of others, has suggested that we employ a little human psychology. He has suggested that we provide not only an immediate condemnation, but that, in addition to that condemnation, that we provide some kind of system of reward and punishment which will induce the power structure to move.

This committee has already taken such action which is now pending in the full Senate and which can be acted on expeditiously.

I am wondering, Senator Kennedy, in light of your recent visit to South Africa, whether you talked to people in the Government, whether you got some sense of what would move them. Will they hunker down, or will they respond to the kind of incentives that Bishop Tutu has suggested, or are only dull, blunt instruments going to be effective?

Senator KENNEDY. Senator Mathias, that is a fair enough question about whether you employ economic sanctions and can really expect that they will have some impact on the South African Government.

First of all, let me just say that I believe this legislation is important because it is important for Americans. It is important for the citizens of my State and of many other States that we make consistent our policy with our values.

I think it is important for American citizens, first of all. That is number one.

Second, I would ask the question of those who follow whether the policy of constructive engagement has had any positive effect. I think it has had none. I think we have not seen any dismantling of the essential aspects of apartheid, the continued denationalization of its citizens——

Senator MATHIAS. I think we all agree on that, because we are going well beyond constructive engagement, everybody is, or almost everybody.

Senator KENNEDY. All right.

First of all, we should be aware of the South African Government's most recent actions. Just this morning, we learned that three prominent UDF leaders were arrested—this by a Government that talks about dialogue.

So, one, there is the importance of this legislation for American citizens. Second, the existing policy has had no effect in changing apartheid; the exciting policy has filed. We need a new approval.

I believe this legislation would have a positive effect in South Africa. I think that the South African Government is enormously sensitive to the most important nation of the world, which is the United States.

I do not overestimate what the impact will be in terms of real change in apartheid. But I believe, with effective governmental action by the United States, and if we try to draw our allies in Western Europe and Japan into a similar policy, I believe this legislation would have a positive impact.

Senator MATHIAS. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Mathias.

Senator Sarbanes.

Senator SARBANES. Thank you, Mr. Chairman.

I want to thank Senators Kennedy and Weicker for their very strong statement and for their very effective leadership on this issue.

There is constant reference to Bishop Tutu and the role he is playing. I am concerned that events in South Africa are moving at such a pace that Bishop Tutu is simply going to be left behind as a leader of black sentiment in South Africa; in other words, that the failure to come to grips with this issue is polarizing elements within that country, and that black sentiment, which after all represents the overwhelming majority of the people of South Africa, is moving toward a more militant position, and that the window of opportunity for achieving change in a constructive fashion may, in fact, be slipping away from us at a very rapid rate.

I would be interested in your views on that particular issue.

Senator KENNEDY. Let me just say, Senator, as I mentioned at the outset, there is increasing polarization between blacks and whites and within the black community itself.

Let me just end with this point.

A point was made to me before going to South Africa, while I was in South Africa, and after I returned from South Africa which, for those members of the committee who are interested in foreign policy and who read a great deal, I think is of some interest. They say that you understood Steve Biko when you read Malcolm X; and you understand Farrakhan when you read Biko. It is dangerous to underestimate the cross-cultural impact of apartheid in the United States.

The feeling and the emotion that is expressed in South Africa among blacks is something which I think has enormous impact on citizens in this country. Should there be a darker period in South Africa, there will be increasing tension, anxiety, and frustration among many citizens in this country.

Senator WEICKER. May I respond additionally to Senator Sarbanes' question?

I would respond in two ways. First of all, I am sure that part of the answer to your question lies in Senator Kennedy's visit. I am sure that there are others who, having seen some of the black protests directed at the Senator, have chortled and said that that indicates the futility of his visit and the fact that American politics are not appreciated.

That is not so at all.

I think I read it accurately, as many others did, that there are members of the black community who do not want Bishop Tutu, and they do not want Senator Kennedy, and they do not want any moderate solution to the problem.

So, whatever the Senator experienced ought to heighten in each of us an anxiety as to how fast this is going down the road. The Senator is correct.

As a matter of history, Albert Luthuli, who won the Nobel Prize, was the first leader. He advocated peaceful protest. Nothing happened.

Nelson Mandela, who is now in jail, advocated protest against inanimate objects. He has been in jail for several decades.

Now we are moving to Bishop Tutu. We are moving past him to the more radical elements of the community. I might add that I do not think there is any one of us who would not act in exactly the same way if it were our families and ourselves who were placed in the kind of jeopardy that the black is placed into in South Africa today.

There is no mystery about it. The Senator is correct. There is the progression. When do you want the United States to step in and say OK, stop? That is the only question that sits before us.

Maybe it will work and maybe it will not. But, again, as Senator Kennedy points out, I think you understand how constructive engagement is working. You see it every day in the paper.

Senator SARBANES. Mr. Chairman, I would like to include in the record an article from this morning's "Baltimore Sun" with reference to Bishop Tutu. I think what Senator Kennedy said is absolutely right.

First of all, the Bishop has not spoken clearly on the disinvestment question because, as he pointed out in a meeting with some of us, to support disinvestment in South Africa is a criminal offense. He can be arrested and punished if he advocates that position. Anyone who constantly asserts his position on that issue has to take into account the fact that it is considered a criminal offense.

Let me read a couple of sentences from this editorial.

> Bishop Desmond Tutu, the winner of the Nobel Peace Prize, yesterday vowed that apartheid would be dismantled "either by violence or through negotiations" as the white-ruled South African Government announced the arrest of three of its leading foes.
>
> Bishop Tutu, the black Anglican Bishop of Johannesburg, told a white audience at Witwatersrand University that the unrest which claimed over 300 lives in the past year was endemic and fed on black anger over inferior education, pass laws, forced removals, and other grievances.

The CHAIRMAN. Without objection, the article will be included in the record.

[The article referred to follows:]

[From the Baltimore Sun, Apr. 24, 1985]

TUTU ATTACKS APARTHEID; THREE LEADING FOES ARRESTED

Bishop Desomnd Tutu, the winner of the Nobel Peace Prize, yesterday voed that apartheid would be dismantled "either by violence or through negotiations" as the white-ruled South African government announced the arrest of three of its leading foes.

Bishop Tutu, the black Anglican bishop of Johannesburg, told a white audience at Witwatersrand University that the unrest which claimed over 300 lives in the past year was endemic and fed on black anger over inferior educaton, pass laws, forced removals and other grievances.

A police spokesman said the three blacks detained without charge, all from the multiracial United Democratic Front, were Patrick Lekota, publicity secretary; Popo

Molefe, the general secretary, and Moses Chikane, a Front official in Johannesburg's Transvaal Province.

He said they were under investigation in connection with cases of unrest near Johannesburg eight months ago. Mr. Molefe and Mr. Lekota were the only important leaders of the Front who were not under detention.

The CHAIRMAN. Thank you, Senator Sarbanes.

Senator Kassebaum.

Senator KASSEBAUM. Thank you, Mr. Chairman.

I, too, certainly appreciate the very moving testimony of both Senator Weicker and Senator Kennedy.

I spent a very intensive week in South Africa in 1983 visiting with many of the same people, Senator Kennedy, that you did. I did not achieve quite the same notoriety and attention, but one does not visit in South Africa without having had an extremely moving experience—one that I think leaves an impression forever.

One thing that very much struck me was my visiting with whites who insisted that we did not understand the situation and with blacks, who insisted that we really did not care. I think one challenge that we all find when we speak to the problems of South Africa is how best can we get our message across in South Africa.

It is very easy here. It is much more difficult in South Africa, where our statements have to be filtered through, frequently, the interpretation given to it by the government's press.

I would only say, in following along the lines of Senator Mathias's questioning, that I think we are really all very much in agreement to a certain extent with what is the problem, the reprehensible system of apartheid. There is no question about that.

But I really struggle with what is the best solution, because it is not just a question of salving our own consciences to a certain extent here in the United States, but of trying to address apartheid in such a way that tragedy is prevented in South Africa. It is South Africa's interest as well as our own that we should care about what happens there.

I think that tragedy could be right around the corner.

But in looking at the various policies—and maybe there is no totally satisfactory policy—I hope to find one that offers the best leverage for change. I think both of you recognize in your comments that maybe your bill would, and maybe it would not. And, as Senator Mathias said, maybe it will just be a question of "hunkering down."

My concern is that, as we look to policy and legislative initiative here, we do not do something that could perpetuate the violence in such a way that any attempt for constructive—I hate to use that word, because it has been so put into question, but diplomacy, after all, is constructive engagement—involvement by the United States becomes irrelevant.

Under the provisions of the legislation that you are talking about, regarding the prohibition of any new U.S. bank loans to the government, the American Banking Association has just endorsed that. As a matter of fact, there are very few bank loans being made now to the Government of South Africa, and there has not been any noticeable change in apartheid as far as that goes.

I think there are things that all of us are talking about that have merit. It is how it is put together and how we really work with it in South Africa that is going to be the key.

I feel very strongly about this.

I expect that this is more a statement than it is a question. But I would like to comment, too, on constructive engagement.

I happen to feel that, as a matter of fact, our policy has made progress in South Africa—not noticeably, but as both of you well know because we have seen it elsewhere around the world we cannot demand that a government change and expect it to change immediately. The more vocal our demands, the less responsive, in an open way, will be any change.

I think that both of you would agree that, as we would throw down a gauntlet with demands, we will be met, I think, by an intransigence. I think it has to be done in such a way that we are not appearing to be dictating a policy that it has to be met, or else. It is finding that leverage that is exceptionally crucial to averting the tragedy which I think does exist in South Africa.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Kassebaum.

Senator CRANSTON.

Senator KENNEDY. Excuse me, but may I take a moment to respond?

This approach is targeted primarily on the Government of South Africa. The Senator is quite correct that it is a limited approach. Last year, the loans were some $370 million, so it will have some impact. But it is targeted on the government.

I would just say, Senator, that I know the white South Africans say they do not care what the United States does, that they will hunker down, that they will not change. But South Africans have an enormous interest and preoccupation with the United States for a variety of reasons. I do believe that this legislation will have some impact.

The final point I would make is that there are Senators here including some members of this committee who are quite prepared to move to economic sanctions against Nicaragua. They believe that that is going to have some impact. And yet they express reluctance to impose economic sanctions against South Africa.

Winnie Mandela told me that constructive engagement is a shoulder to the wheel of apartheid. Given the past failures of present policy, we need a new approach. This legislation is a measured, limited, responsible action, which I believe will have some impact on governmental action.

The CHAIRMAN. Senator Cranston.

Senator CRANSTON. Mr. Chairman, I would like to address my first question to you, if I may.

As you know, we are having a rather abbreviated hearing this morning. I don't know if we will have time to hear much from Secretary Crocker. There will not be any time, really, for questioning him. I know I will not get to question him.

You did speak of pressing ahead in your opening statement. When can we have another hearing where public witnesses can be heard and when do you anticipate a markup on this legislation, on all the pending legislation?

The CHAIRMAN. Tentatively, and majority and minority staff will try to pin this down today with Senators, May 2 is contemplated for the next hearing. I think you are correct that we may not have exhausted our questions with Mr. Crocker and he may need to return on that date. Then we will see what other witnesses need to be heard.

That may mean another hearing beyond that. I would just say, given the schedule of the committee, that we will move as expeditiously as we can. We have a markup tomorrow. And we will, as I said, have South Africa next week.

We are constrained a little bit in ways that I wish we had not been constrained, by the importance of the budget situation. Senator Dole encouraged us, as a matter of fact, to postpone this hearing as well as the markup tomorrow.

I have made a pledge to members of the committee that we would have the hearing today and that we would have the markup tomorrow, and we are going to, by starting at 9 o'clock. I hope we will be here promptly again tomorrow morning.

But we are also on notice that we may be terminated in our action 2 hours after the Senate begins. Of course, with the debate starting early on the floor, that poses a bit of a problem for us, too.

So, if you will bear with us, and I know you will, we will continue our hearings and go on to an expeditious markup on South Africa.

Senator CRANSTON. It seems to me that for many reasons it would be very advisable to try to have a markup before we get to the foreign aid bill on the floor, so that we plainly are moving on this track on this bill.

The CHAIRMAN. I will keep that point of counsel right before me

Senator CRANSTON. Thank you very much.

Senator WEICKER. Mr. Chairman.

The CHAIRMAN. Yes, Senator Weicker.

Senator Weicker: I chair a Labor Health and Human Services Appropriations Subcommittee meeting and that hearing started at 10 o'clock. I think I had best get down there. I am not avoiding any questions any member of your panel might have.

Senator CRANSTON. Oh, and I had a very tough one for you. [Laughter.]

The CHAIRMAN. Perhaps, then, just informally, may we see if there are any further questions for Senator Weicker so that we might relieve him of this responsibility and send him on to his other duties?

[No response.]

Senator CRANSTON. Lowell, thank you very much.

The CHAIRMAN. We indeed thank you for coming this morning, Lowell.

Senator WEICKER. Thank you very much.

Senator CRANSTON. My next question I will not ask each of you to answer now. But I would ask each member of this committee to think about how you would answer this question which I will address to Senator Kennedy.

We all agree that the moral and strategic interests of our country lie in close ties with the black majority of South Africa. I would like to ask you, Ted, what you would be doing today—and I ask other members to think about this—what would you be doing today if you were young and black in South Africa? Where would your future interests lie? What actions would you take and what would you want the U.S. Government to be doing?

Senator **Kennedy**. Well, Senator, I think that your question provokes, obviously, a good deal of deep thought. Obviously, if you are black, you would be separated from your family. You would have been lucky to survive in terms of the questions of infant mortality. You would have an inferior education. You would have inadequate employment possibilities and you would face the likelihood of early death.

Let me answer your question in this way.

One of the most distressing aspects of the visit that I found was that, in talking to black journalists, they said there was an increasing feeling among blacks about the right of self-defense. The right of self-defense is an understandable and longstanding position in Roman natural law, in the Judeo-Christian ethic. They said if you do not defend yourself against apartheid, you fail to provide opportunities for your child to survive, you fail to defend your family from being physically uprooted and torn out of your home. They are moving to the idea of defending themselves against the different aspects of apartheid which are crushing to these people. I interpret "defending" to be a sign of a movement away from a nonviolent position.

South Africa is going to be free one day, Senator. You know it and I know it. The question that is before us is whether we are going to be the last country to go down with apartheid, or whether we are going to be perceived by those who will one day rule South Africa as having taken a strong position against apartheid.

For all those who will come after me and talk about security interests, about strategie minerals and all the rest, that is more of a reason to support this legislation than any other.

I have not done your question justice. But perhaps those thoughts might be of some value.

Senator **Cranston**. Do black South Africans view us as supporting the oppressed or supporting the oppressor?

Senator **Kennedy**. Clearly, as I mentioned, Winnie Mandela mentioned the shoulder to the wheel. Constructive engagement is a shoulder to the wheel of apartheid. I dare say that that is the view of most black South Africans. That is their view. If you have heard Bishop Tutu or if you have read his speeches, that view is expressed in very eloquent ways—by Reverend Boesak as well.

There is a very interesting article that I would like to have included as a part of our record about where the United States will be in terms of South Africa. This article appeared in "The New York Times" a week ago. I believe the chairman is familiar with it.

The **Chairman**. Without objection, it is so ordered.

[The information referred to follows:]

[From the New York Times, Apr. 12, 1985]

SOUTH AFRICAN BLACKS HAVE STARTED TO RISE UP

(By Beyers Naude)[1]

The era of protest politics has been set aside in South Africa, replaced by the first phase of a militant revolutionary era. As one youth leader put it last year: "We are not at war."

The 25 years since the massacre in Sharpeville have brought increasing polarization to our politics. The ruling Nationalist Party points to the new Constitution and other legislative reform as proof of real change. Most black leaders disagree and maintain that, taking everything into account, the position of blacks has substantially worsened in the last 25 years.

In the meantime, indisputably, black opinion on political issues has become much better informed, support for resistance has become more widespread both in urban and rural areas, black attitudes have become much more militant and black actions are much better organized. In reaction, white political feelings, in both the Afrikaans and English-speaking communities, have shited noticeably to the right. This has been going on for some time, as demonstrated by the growth of the Conservative Party, but the recent unrest in the black townships is creating a sharp new sense of insecurity and fear.

All indications are that 1985 will see an exacerbation of the hardships endured by the majority of South Africans. It will also surely bring an extension of the struggles waged in 1984.

The recession is deepening, with companies going bankrupt daily and thousands of people being thrown out of work. Wages are not keeping up with rising prices. Meanwhile, as the Government cuts spending on education, conditions in the schools will get worse. As bosses try to hold down wages and push up productivity, tension in the factories will grow. And, as local authorities persist in calling on the police and the military, our communities will surely remain a battleground.

It is clear to me that this year will bring more polarization between the white ruling classes and the majority of the people, more clashes between the police and striking students and workers, more injuries and deaths. It does not require the insight of a prophet to predict that, unless the Government initiates clear and fundamental change, the unrest throughout the country will increase—to the point where violence becomes endemic and eventually uncontrollable.

For too long, the black community has suffered under political oppression, economic exploitation, educational neglect and denigrating white attitudes. For too long, the authorities (and those who put them in power) have ignored the warning pleas of millions of young people. For too long, people have been detained, tortured, banned and imprisoned without adequate cause. And for too long, the regime has succeeded in cajoling, manipulating, bribing or pressuring blacks and others to collaborate in implementing apartheid in the hope that they will be incorporated in the system.

Now the moment has arrived when the people, after decades and decades of silent suffering, have started to rise up—burning Government property, bombing the homes and businesses of black officials and other stooges, killing black police officers. Many of us who oppose the regime have foreseen these developments for years—and we believe that all of it could have been prevented if our pleas had been heard and heeded. But now that this situation has become a bitter reality, what awaits us?

South Africans, both black and white, will now have to agonize on how to resolve the crisis. Yet a serious obligation also rests on the most powerful and affluent country in the world to reconsider its responsibility toward South Africa. The United States must help us to minimize the emerging violence and maximize the chances of peaceful change.

To begin with, it must recognize that its lack of meaningful support for the South African black community and its struggle for liberation has created feelings of deep anger and animosity not only toward Washington and its policy of "constructive engagement," but also toward many American institutions and initiatives in South Africa. A word of serious warning has to be sounded to the American Government and people: Do not be surprised if the anger of black South Africans eventually turns to hatred or rejection of an American presence in Africa. Take cognizance now of these feelings of anger and bitterness and consider active steps to create a better attitude.

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[1] Beyers Naude is a minister of the Dutch Reformed Church and secretary general of the South African Council of Churches. This article is adapted from a longer essay in the May–June issue of African Report magazine.

Second, Americans must disabuse themselves of the bogus concept that the root cause of the unrest in our country is a Communist onslaught created and manipulated by Moscow. Please recognize that the policy of apartheid is the real threat to peace and stability in my country—and all of southern Africa.

Third, Americans should give more serious attention and weight to the pleas of the churches and other organizations in South Africa known for their opposition to apartheid. Please listen to these groups, which are trying to do everything in their power to bring about fundamental change by peaceful means or, where peaceful change is no longer possible, with a minimum of violence. Americans should also do all they can to support the efforts in their own country—by churches, academic institutions and other organizations—to press their Government to change its disastrous policy toward South Africa.

Fourth, the United States should terminate the policy of "constructive engagement" and initiate more meaningful pressures to hasten fundamental, nonviolent change. The whole disinvestment debate could soon become irrelevant if the current unrest in South Africa continues unabated—for before long it will have created such an unstable economic climate that overseas investors will be frightened to do business here. Before long, they will decide of their own free will not to support any further investment. They will conclude that the risk is too great and will initiate steps toward disinvestment.

Fifth, Washington should encourage Pretoria to ease up. I am convinced that no return to stability is possible here as long as the black leader Nelson Mandela and other political prisoners remain in prison. Americans must understand this, and they should demand the unconditional release of all political prisoners, the right of all exiles to return, the release of all detainees, the unbanning of the banned and the banished. They should also encourage Pretoria to grant all South African people the freedom to elect their own leaders to initiate a process of negotiated change.

Sixth, the United States must make it clear that it does not want to see things get worse. The situation in South Africa may eventually become so ungovernable that the authorities would be forced to declare a state of emergency—and this could very easily lead to military rule of some kind. Such a development would have disastrous consequences for the cause of justice and peace in South Africa, fanning the flames of violent revolution and eventually leading the country into civil war. If the United States is sincere in its concern to prevent further violence, it should take effective steps now to prevent the establishment of military rule, with all its serious consequences not only for black and white South Africans, but also for the rest of southern Africa.

Finally, the American Government and people must reassess their policy toward Nambia, Angola, Mozambique and Zimbabwe—a policy that is creating increasing frustration, cynicism and bitterness toward the United States in all these countries. The State Department clearly fears their Marxist tendencies and fears to lend them American support. But the sooner both the United States and South Africa accept that the political change that black South Africans wish to bring about will inevitably involve changes in the capitalist system of free enterprise—a change toward some form of socialism—the less traumatic and painful the transition toward majority rule will be.

I do not believe that the United States can determine the direction or momentum of change in South Africa, but it can help the South African Government to understand and accept what is happening. It can also enlist the support of other Western countries to prepare South Africa and themselves for the upheaval of fundamental change that is on its way. I share the fears of many here that this process is going to be painful—and bloody. But the sooner the apartheid system is dismantled, the greater the hope of shortening this period of bloodshed and hastening the transition to nonracial democratic rule.

Senator **CRANSTON**. Thank you very much. I appreciate deeply your testimony. It has been both thoughtful and impassioned.

Senator **KENNEDY**. Thank you.

The Chairman. Thank you, Senator Cranston.

Senator Trible.

Senator **TRIBLE**. Mr. Chairman, I have no questions of Senator Kennedy. But I do hope to have the opportunity to pose a number of questions to Mr. Crocker. I would yield the balance of my time to my distinguished colleague from Washington, Mr. Evans.

The CHAIRMAN. Senator Evans.

Senator EVANS. Thank you, Mr. Chairman, and I thank my next door colleague here.

I share with the rest of the committee my admiration for your statement and the leadership you have provided, Senator Kennedy, in the critical relationships we have with South Africa.

I was struck by two things in your remarks: First, that American foreign policy should be consistent with American values, something with which I agree very strongly; and second, that this represented a limited and modest proposal which, in some respects, bothers me. I am a little curious as to whether those two are really consistent.

Let me pose the question of the direction we might take in American foreign policy and have your comments on it.

It seems to me that in Kampuchea, in Vietnam, in Nicaragua, in the Soviet Union, and elsewhere, we have a long, sad rollcall of nations that have failed miserably in providing fundamental human rights within their own borders.

I wonder if it is not time for us to be consistent, to set our standards and to set them strongly for our international relationships with all of our neighbors.

You mentioned the inconsistencies on Nicaragua, on economic sanctions, and probably those inconsistencies are prevalent throughout the Senate, and in both ways. There are some who would suggest economic sanctions for Nicaragua but not for South Africa; and some on South Africa, but not on Nicaragua.

It seems to me that maybe it is time to jointly seek with the administration a more clearly stated view of our relations with other nations, to let our standards be well known and held high; to let them be clear and consistent; to let them apply to all nations; to let them be standards around which freedom-loving people around the world can rally.

It seems to me that only then can we effectively pursue our relationships with individual nations, such as South Africa.

I have great sympathy for the particular programs you are presenting here. But how does it relate to what else we are doing?

Isn't it time to try to seek a more clearly stated and, hopefully, bipartisan view of how we treat our relationships with all nations?

Senator KENNEDY. Well, Senator, I dare say that Senator Weicker is enormously eloquent when he speaks about the history and the tradition of the Republican Party, of Abraham Lincoln and Teddy Roosevelt and other very distinguished Republican leaders who have been so strongly committed to the issue of fundamental justice and equal rights.

It does appear to me that there is a broad bipartisan consensus on that. We are talking about the fundamental values of our system.

South Africa is the only country in the world—of the 147-odd countries of the world—that has as a matter of national policy racism guiding every aspect of its life. That is something around which I would think Republicans and Democrats alike can unite.

Having said that, let me just say that I think we have seen some successes in South America recently in terms of moving toward democratic institutions. I think the recent elections in Peru are important. I am distressed by the rise of support for the Communists there. It was at 10 percent 4 years ago. The run-off election will go as high as 33 percent. The most respected country now by the Peruvian people is Nicaragua, and not the United States.

We have seen an important return to democracy in Brazil and Argentina. I think all of us are mindful that we are facing extraordinary problems and complexities in designing our foreign policy.

I am mindful of Thomas More's judgment about moral values: One, is the issue right or wrong; and two, what is your ability to have some impact on it. Our ability to influence some countries is a lot more limited than we would like. Clearly we have less opportunity to deal with South Korea than we might with some other country because of our value system and given the exigencies of the situation.

I am not a purist in terms of the particular judgmental value system, but I do think that apartheid in South Africa is a unique circumstance, a unique situation. It is not basically a regional problem as we might face in Central America. It is a unique and special question, and it calls for unique and special action. I would hope we could support congressional action that would be consistent with what Republicans and Democrats alike have said in terms of deploring apartheid.

Senator EVANS. Thank you.

The CHAIRMAN. Thank you very much, Senator Evans.

Senator Kerry.

Senator KERRY. Thank you very much, Mr. Chairman.

First of all, I would like to thank the Chair for both holding these hearings as well as indicating its willingness to move rapidly to the process of the markup. I can assure the Chair that I will join with him in trying to guarantee that the committee comes out with something that has as broad a base of consensus as possible.

I am an original cosponsor, along with Senators Kennedy, Weicker, and others, of this legislation. Before I make a comment to Senator Kennedy I will just say that I think it is important that this bill not be confused for being something that it is not.

As Senator Kennedy has said, and I think it is important to underscore it, this bill is not in any way remotely a divestiture bill, nor does it have any of those provisions in it.

I think it is temperate, perhaps in some ways too temperate, in that it merely sets out eight contingencies, any one of which should the Government of South Africa accede to, would permit the President to request to the Congress that we not implement two of the major restrictions on investment and on the krugerrands.

So I think it is a very balanced and reasonable approach, which is a leveraged approach.

I congratulate Senator Kennedy and Senator Weicker for having formulated it in as reasonable a fashion as they have.

On a personal note, I would like to express to Senator Kennedy and to Senator Weicker in absentia, the appreciation of the citizens of Massachusetts, and I know of people all over this country and the world, who are gratified, to say the least, by their leadership on this issue. On a personal note, I know that Senator Kennedy has both a very strong personal and historical attachment to what is, or is not, happening in South Africa, as the case may be, because of the earlier visit of his brother Robert. I think if South Africa was a special concern for Robert Kennedy, it is now even more of a special concern for Senator Ted Kennedy.

I know from the media reports of his trip in South Africa that it was controversial, as Senator Kassebaum has mentioned. Insomuch as it was, it was a trip that I think took great courage, not only because it was a personal risk, but it was also at obvious political risk.

I think Senator Kennedy's reference and his comments here today to the effort to try to insert moral values into the conduct of our policy that are in keeping with the traditional values of American society is a noble effort and an appropriate one.

I think everybody on this committee would agree that trying to define foreign policy in terms of morality is very difficult, because one action which may be opposite to another action can obviously be moral to both parties that are espousing those actions.

But in this case, on this issue, given where the United States has stood with respect to what is happening in a place like South Africa, there really is not that kind of division as to the question of morality.

I personally am honored that Senator Kennedy, representing Massachusetts, has been a leader with respect to his trying to insert that morality back into our policy with respect to this issue. I am proud he has taken the chances that he has taken, and has stood so strongly for what is really right with respect to our policy.

I note that the issue of Nicaragua has come up in concert with the question of whether or not there are not some duplicitous aspects to our policy. I think there are, Senator Evans, and I agree with your noting that it is important to try to rectify that. I would, not having yet heard one radio address from the President of the United States in 4 years on the subject of South Africa, hope that it might be possible to hear the President speak out in the same way that Senator Kennedy and others have on an issue of such importance.

I thank the Senator for his eloquent and important testimony this morning and for what he has done on this issue.

Thank you.

The CHAIRMAN. Thank you.

Senator Dodd.

Senator DODD. Mr. Chairman, I want to thank Senator Kennedy and Senator Weicker for appearing here today. I have had the pleasure of listening to my colleagues address the Banking Committee, where they have also appeared on a similar issue. I will not belabor the committee's time.

I will just welcome them here and will compliment them on the strength of this issue.

I have no questions.

Senator KENNEDY. Mr. Chairman.

The CHAIRMAN. Senator Kennedy.

Senator KENNEDY. I would like to thank my colleague, Senator Kerry, for his comments. He was very kind and generous.

My only additional point, Mr. Chairman, is to draw attention to the waiver provisions. We did not emphasize and stress those provisions enough. There is what you might call both the stick and the carrot included in this legislation. It was referenced by my colleague when he talked about incentives. I would hope that the Members, in considering this legislation, would see that balance as well.

Senator KERRY. I will probably regret forever having passed up the opportunity to get you on the record on some questions. [Laughter.]

The CHAIRMAN. I believe Senator Mathias has a question.

Senator MATHIAS. Mr. Chairman, I just wanted to observe that I saw Senator Kennedy here and Senator Kerry, and that they follow in the footsteps of another great Senator from Massachusetts, Charles Sumner, who was one of the clarion voices to speak against slavery in the period before the Civil War.

Senator KENNEDY. He held my particular seat, too, Senator.

Senator MATHIAS. Charles Sumner has an extraordinary place in American history, in calling out for the abolition of slavery, which was a vice even greater than the vice of apartheid, the holding in bondage of human beings.

I am wondering if there are some lessons we can learn from the American experience, because we do not approach this problem of apartheid in Africa with an unblotted record of our own. We have ourselves been guilty of very serious crimes in this respect. The thought and contemplation that Lincoln put into the solution to this problem is one of the great chapters of American history.

How do you solve the problem without just wrenching society apart? How do you solve the problem without creating greater problems than the one you set out to remedy? It is very, very difficult. It requires, I think, our best effort and our best thought.

Senator KENNEDY. I think both Senator Kerry and I am honored to be associated with Charles Sumner, certainly in that respect if not in one other; he only held his Senate seat for one term. Of course, his achievements and accomplishments were much greater than those of some of us who hold on for longer periods of time. I am knowledgeable about his contribution, and I think your final comments are certainly something to which we will give great thought in the months and years ahead.

Thank you.

The CHAIRMAN. Thank you very much, Senator Kennedy.

We deeply appreciate your coming here today and your responses to our questions.

The Chair would comment that 10 members of the committee have attended the hearing. That is an excellent attendance for a committee hearing. It is an important subject which has brought us here together.

We would like now, while we have all of us here, to hear Hon. Chester Crocker, Assistant Secretary of State for African Affairs.

Senator KASSEBAUM. Mr. Chairman, I might just comment that when we held a hearing in September on this subject, there were just three of us here, Senators Tsongas and Dodd and myself.

The CHAIRMAN. Senator Kassebaum's point is well taken.

Senator KASSEBAUM. It shows what press attention will do.

The **Chairman**. Secretary Crocker, we welcome you to testify today. We apologize in advance for the circumstances of the timing.

Let me just say for the benefit of members of the committee that I think it is important that Secretary Crocker begin his testimony and that his statement be made a part of the record. Members have already indicated their interest in raising questions. So we will ask him to return on another occasion that is mutually convenient so that we will have an opportunity for a complete record.

We are delighted to have you. If you would proceed, we would appreciate it.

STATEMENT OF HON. CHESTER A. CROCKER, ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS, ACCOMPANIED BY ROBERT GELBARD, DIRECTOR, OFFICE OF SOUTHERN AFRICAN AFFAIRS, AND JEFFREY DAVIDOW, DIRECTOR, OFFICE OF REGIONAL AFFAIRS, AFRICAN BUREAU, DEPARTMENT OF STATE

Mr. **Crocker**. Thank you very much, Mr. Chairman. It is a pleasure to be here and to have a chance with the committee to address the very important subject of our policy toward South Africa.

In the interest of time, I would request permission to introduce into the record statements of policy toward Southern Africa, including the speech by Secretary Shultz of April 16 to the National Press Club,[1] which constitutes a comprehensive statement of our policy toward that region, as well as the testimony of Deputy Secretary Dam before the Senate Banking Committee last week.[2]

The **Chairman**. Without objection, all of this will be incorporated into the record.

Mr. **Crocker**. It goes into the issue of economic sanctions more specifically.

Let me begin, Mr. Chairman, by stating what I think is obvious across the country and in terms of the discussion held already here this morning, namely, that there is not any support for apartheid in our country. No respectable voice is being raised in defense of that odious system or in defense of a status quo more generally.

While there is much debate in our country concerning South Africa, that debate is not about apartheid. Rather, it concerns the question of how we can most effectively support change toward a just society, whose system is based on the consent of the governed.

Following from this, Americans should be able to agree that, while we are fully justified in expressing our moral indignation, that indignation itself is not foreign policy. If we are to play a positive, constructive role, it will not do to proclaim simply that we must "do something" about apartheid and then select among proposals according to how good they make us feel. The onus on all of us is to consider carefully the consequences of current and alternative policies.

The policy that this administration has pursued combines America's strong opposition to apartheid with a sense of conviction that we should be involved for reasons both ideological and humanitarian, both strategic and moral, in helping to bring about change in South Africa.

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[1] See page 56.

[2] See page 61.

This approach, I would emphasize, Mr. Chairman, has been a consistent one in American foreign policy for at least 2 decades.

The goals of U.S. policy in Southern Africa are clear. We seek to accelerate peaceful evolution in South Africa away from apartheid and to diminish the violence and instability that threaten lives and livelihood throughout the region of Southern Africa. The two goals are interrelated.

The external environment has a direct impact on the situation within South Africa and vice versa.

In relation to regional security, U.S. diplomacy has played an important role in bringing about public agreements between South Africa and Mozambique, South Africa and Angola, and better private understandings between South Africa and several other of its neighbors.

Our diplomacy has helped move Mozambique away from heavy dependence upon the Soviet camp toward true nonalignment and improved relations with our country. It has brought Namibia closer to independence than ever before, and has set the stage for Cuban troop withdrawal from Angola.

If I may, Mr. Chairman, allow me to state that the recent moves by the South African Government in relation to the internal administration of Namibia have no significant bearing on our policy or our diplomacy. Such moves are irrelevant. We have made that clear to the South African Government, which has publicly reiterated its commitment to an internationally acceptable settlement, which means a settlement in terms of Resolution 435, the only such settlement plan that exists.

The same logic applies to our efforts to support change in South Africa. In our public and private statements, we have continued to call upon the South African Government to move quickly toward an end to the apartheid system. We have spoken out forcefully against repressive measures consistently, such as detentions, forced removals, and police killings of unarmed demonstrators. We have called for political dialogue between blacks and whites and for an end to Nelson Mandela's imprisonment. With strong support from this administration and the previous one, U.S. businesses have become a positive force for change by adopting the voluntary Sullivan Code of Fair Employment Practices. They have provided education, housing, and other benefits worth over $100 million to their black employees over the past few years. And we have developed during the past fiscal year, and continuing into this one and the next, some $30 million in assistance programs to help train leaders in the black community so that they can work more effectively for change in their own society.

Mr. Chairman, to describe our current relationship with South Africa as "cozy rapprochement" or as "business as usual" is a severe distortion of reality. A number of specific policies and practices are in place, notably our firm adherence to the U.N. arms embargo, that clearly distance us from apartheid and limit our relationship for so long as South Africa is governed by a system that legally entrenches racism.

Mr. Chairman, it is indisputably true that the changes that have occurred in South Africa fall far short of meeting the aspirations of the majority of that country's population, as well as our own standards in this country. But it is equally true that over the past 4 years, fundamental pillars of the apartheid system have eroded. The South African Government has recognized the right of at least some of those outside the white community to exercise political power at the center, by the inclusion of Asians and coloreds in the government. It has recognized and must soon act upon the principle that denying citizenship to South Africa's blacks is as unworkable as it is ludicrous. It has in a series of actions moved away from some of the most visible and offensive elements of racial segregation, such as the Mixed Marriages Act and the Immorality Act. It has moved increasingly to recognize that blacks are a central and permanent feature of the urban, industrial economy. As a consequence, we have seen important movement on urban residency and property rights, as well as trade union rights for blacks. Such moves implicitly recognize that it is utterly unworkable to govern South Africa on the basis of laws that ignore these realities.

South Africa can no longer deny a political role for blacks at the national level.

Mr. Chairman, it is not historically fair to say that these changes, because they are less than what is necessary, are only cosmetic. We should recognize that they have the ability to speed the fundamental alteration of an anachronistic system.

We must recognize also that the essential precondition for progress is change in the hearts and minds of white South Africans and in the white political alignments to which they give rise.

Winnie Mandela, the banned wife of the imprisoned ANC leader, said it best when she told ABC's Ted Koppel that the Government of South Africa holds in its hands the key to the question of whether it is too late to avoid a catastrophe, too late for constructive change.

In our judgment, she is correct. Despite the obvious limitations of change seen so far, we have witnessed over the past 3 years the crossing of an historical watershed by the National Party Government, which has seen major defections from its own ranks as it undertakes reform.

We cannot afford in this country to underestimate the significance of this realignment in white politics, a process which is producing an electorate and a leadership committed to reform, even as we also acknowledge that the reforms decided so far do not address central questions, and the announcements remain abstract and vague.

Mr. Chairman, in looking at the South African scene, it should surprise no one that wildly conflicting claims are made about what is really going on there. We are dealing with a highly politicized and polarized situation. It does not serve the interest of white leaders to speak openly about the implications of specific reform steps or to define clearly in advance their current vision of their bottom line in bargaining that surely lies ahead with the black community.

By the same token, Mr. Chairman, it does not serve the political interests of black leaders to give credibility to a reform process from which they have been largely excluded so far, or to speak positively about reform measures and models that do not yet offer them access to the corridors of political power.

We are witnessing, in short, an effort by leaders of all races in South Africa, to keep the faith with their own audiences, and to hang on to their own constituencies, at a time, as I emphasize, of polarization.

In South Africa's highly charged political atmosphere, black anger and grievances have raised new levels of pressure. We can understand the rage that promotes riots, and we can comprehend the fear that promotes repression. But we can accept neither. And we must condemn senseless violence and the taking of human life.

We are seeing today and may see in South Africa for some time to come sporadic violence and governmental repression, coupled with a process of reform. It is going to be a sometimes messy process, two steps forward and one step back, with unclear goals, unrevealed agendas, and unanswered questions.

It is a complex problem, but one we cannot walk away from. It is not the first time in history that we have seen such situations.

In our view, Mr. Chairman, the real challenge for white and black South Africans today is to bring about the major restructuring of that country in a way that the cure does not kill the patient.

Turning to legislation, Mr. Chairman, there are many in this country who are now calling for increased economic sanctions against South Africa and who have adopted the attitude that we should be willing to undertake such punitive measures, even if we are unclear as to whether there will be concrete results or what those results will be. Otherwise, sober and thoughtful people who argue that we best deal with nations with which we have serious differences through increased contact, more trade, more diplomacy, greater investment, and fuller diplomatic links, somehow lose their sense of proportion when discussing the South African question.

This administration believes that increased economic sanctions against South Africa will be counterproductive. I would like now to offer in some shorthand form, because our time is short, the main arguments that we feel pertain against the kind of economic sanctions legislation that is under discussion.

One, as I have stated before, even the proponents of these measures cannot demonstrate any predictable, positive consequence which their imposition would entail, apart from the argument that we may feel better here in this country for having done so.

Two, sanctions are not the only way, or even a good way, for this country to send a signal to South Africa. They are likely to harden the foes of change, rather than the proponents of change.

Three, Mr. Chairman, the majority of South Africans, that is, the black community, is by no means calling for sanctions. I urge you to read closely the words of Bishop Tutu and others and to recognize the validity of a number of polls that have been taken in South Africa which show that the vast majority of blacks do not favor such measures, including disinvestment.

Four, sanctions ignore the harm that such an approach will influct precisely on the black majority, whom the advocates of such measures want to help.

Five, while there is no question that the majority of Americans want to see an end to apartheid, I suggest, Mr. Chairman, that there is no majority in this country for the kinds of econmic sanctions which have been proposed. Recent polling bears that out as well.

Six, we should recognize that economics is not the key leverage we have in South Africa—South Africa is not a client state of our country—but rather that our influence is political, it is moral, it is psychological, and that sanctions will limit our opportunity to exert that influence.

Seven, we should recognize that it is simply bad public policy to go down the road of sanctions which today may be used against South Africa, but tomorrow against some other country. The precedents that are being set are important ones, with worldwide precedental implications.

Eight, in societies which are essentially economically strong, such as South Africa, sanctions are unlikely to have any major effect. To the contrary, in South Africa's case, sanctions, or the threat of them, have encouraged that country to become one of the developing world's largest arms producers and to have one of the most effective coal gassification programs precisely in order to resist the threat of oil sanctions.

We should not discount the perverse results of existing sanctions.

Nine, whatever steps we take in relation to sanctions are not likely to be followed by South Africa's other trading partners. Sanctions are unlikely to be accepted by the international community, and it will be American business and trade that suffers.

Ten, Mr. Chairman, increasingly, the talk of sanctions worries South Africa's neighbors. Though the rhetoric of Africa demands a call for sanctions, the other states of Southern Africa are concerned, as well they should be, about the effect on their economies if additional sanctions are implemented against South Africa.

Eleven, and I think this is perhaps the most pertinent point in a long list, Mr. Chairman, sanctions would be precisely the wrong signal to send at a time when South Africa is changing more than ever. If the South Africa of 1985 is to be penalized more than the South Africa of 1955 or 1965 or 1975, what conclusion will the leaders of South Africa draw? What then is the incentive for change?

Finally, to round out my dozen arguments, Mr. Chairman, I urge this body to recognize that sanctions are likely to lead us down the road to ineffectual action, which will have no positive effect in South Africa, and cause others around the world in places far removed from Africa to doubt the wisdom and the strength of American foreign policy and economic policy.

Mr. Chairman, in conclusion, this administration believes that there is a role for the U.S. to play in promoting a peaceful transformation away from apartheid in South Africa. We believe that working together with the administration and Congress can develop a consensus, such as the one called for by Secretary Shultz last week. We believe the basis exists for such a consensus. That consensus will put the American people firmly in opposition to apartheid, while exercising our influence in a responsible manner.

I welcome this opportunity to discuss this issue with you today. We are open to the ideas of Congress for ways to increase the U.S.

influence over the pace of change in South Africa. I am sure that, working together, we can develop programs which meet our goals and uphold the most essential moral and political values of the American people.

Thank you, Mr. Chairman.

[Mr. Crocker's prepared statement follows:]

PREPARED STATEMENT BY HON. CHESTER A. CROCKER, ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS

Mr. Chairman,

I welcome this opportunity to speak to this committee today about an issue which has gained the increasing attention of the American public and Congress, that is, U.S. policy toward South and southern Africa.

In the interest of time, I request permission to introduce for the record statements of our policy toward southern Africa made on April 16 by Secretary Shultz at the National Press Club and on the same date by Deputy Secretary Dam before the Senate Banking Committee. The former is a comprehensive and authoritative statement of Administration policy; the latter covers in greater detail Administration opposition to legislation which has been introduced in both chambers that calls for punitive sanctions against South Africa.

This morning, Mr. Chairman, I would like to focus on three issues in my remarks. I think it important to present this committee with a concise summary of the nature of our policy, the bases of that policy, and why I believe it is one that has met with success and can continue to do so. Secondly, as any policy must be based upon the realities of the region for which it is designed, I will outline our view of developments in South Africa. And finally, Mr. Chairman, as I realize that this committee is meeting to determine the appropriate legislative response to South African developments, I will indicate in unambiguous terms why the Administration opposes certain legislation which has been introduced.

I will begin, Mr. Chairman, by stating the obvious. There is no support for apartheid in our country. No respectable voice is being raised in defense of that odious system or in defense of the status quo. While there is much debate in our country concerning South Africa, that debate is not about apartheid. Rather, it concerns how we can most effectively support change toward a just society whose system is based on the consent of the governed.

Following from this, Americans should be able to agree that while we are fully justified in expressing our moral indignation, indignation by itself is not foreign policy. If we are to play a positive, constructive role, it will not do to proclaim simply that we must "do something" about apartheid and then select among proposals according to how good they make us feel. The onus is on all of us to consider carefully the consequences of current and alternative policies.

U.S. Policy in Southern Africa

The policy that this Administration has pursued combines America's strong opposition to apartheid with a sense of conviction that we should be involved for reasons both ideological and humanitarian, both strategic and moral, in helping to bring about change in South Africa. This approach has been a consistent one in American policy for at least two decades. The Administration's policy is based upon an understanding of the regional realities of southern Africa, a recognition of the limits to our influence, an understanding of the nature of change in South Africa, and a conscious decision to adopt a tactical approach in our relations with the governments of the region which stresses results rather than rhetoric.

The goals of U.S. policy in southern Africa are clear. We seek to accelerate peaceful evolution in South Africa away from apartheid and to diminish the violence and instability that threaten lives and livelihood throughout the region. The two goals are interrelated. The external environment has a direct bearing on the situation within South Africa; a white government that no longer sees itself as besieged from outside its borders will be better able to take the steps it must to reform its own society. Conversely, internal conflict in South Africa can spill over borders, complicate regional diplomacy, and compel South Africa's neighbors to divert resources and attention away from their pressing task of economic development.

Clearly, instability in the region offers opportunities to our adversaries to fish in troubled waters. It may be fashionable in some quarters to dismiss the presence of 30,000 Cuban troops in Angola as an inconsequential blip on the radar screen of history. That is not the view of this Administration. The extension of Soviet power into an area of the world not within its traditional sphere of concern must be of concern to all of us who have responsibility for public policy in this country.

In relation to regional security, U.S. diplomacy has played an important role in bringing about public agreements between South Africa and Mozambique and South Africa and Angola and better private understandings between South Africa and several other of its neighbors. Our diplomacy has helped move Mozambique away from heavy dependence on the Soviet camp toward true nonalignment. It has brought Namibia closer to independence than ever before and it has set the stage for Cuban troop withdrawal from Angola. And, if I may, Mr. Chairman, allow me to state here that the recent moves by the South African government in relation to the internal administration of Namibia has no significant bearing on our policy. Such moves are irrelevant. We have made that clear to the South African government which has publicly reaffirmed its commitment to continue working for implementation of United Nations Security Council resolution 435, which is the only internationally acceptable solution to the Namibian problem.

Our ability to work with all of the countries of the region in reducing regional tensions reflects a basic tenet of our policy. We operate in a manner which assures each of the countries with whom we deal -- no matter how objectionable we may find their domestic policies, be it South Africa's apartheid or Mozambique's Marxism -- that we can be trusted as credible, honest brokers willing to take seriously their concerns.

South Africa

The same logic applies in our efforts to support change in South Africa. In our public and private statements, we have continued to call upon the South African government to move quickly toward an end to apartheid. We have spoken out forcefully against repressive measures such as detentions, forced removals, and police killings of unarmed demonstrators. We have called for political dialogue between blacks and whites and for an end to Nelson Mandela's imprisonment. With strong support from this Administration and the previous one, U.S. businesses have become a positive force for change by adopting the voluntary Sullivan Code of Fair Employment Practices. They have provided education, housing, and other benefits worth over $100 million to their black employees over the past few years. And we have developed during the past fiscal year, and continuing into this one and the next, $30 million in assistance programs to help train leaders in the black community so that they can work more effectively for change in their own society.

To describe our current relationship with South Africa as cozy rapprochement or as business as usual is a severe distortion of reality. A number of specific policies and practices are in place -- notably our firm adherence to the UN arms embargo -- that clearly distance us from apartheid and limit our relationship for so long as South Africa is governed by a system that legally entrenches racism.

The South African Dynamic

Our policy would be an inappropriate one if we were simply dealing with a country mired hopelessly in the mud of tradition. But it is precisely because South Africa is in a period of unprecedented ferment that our influence has potential leverage. As Secretary Shultz said last week, "The truth is that South Africa _is_ changing. For the most part, the transformation is being brought about by reality -- by the growing realization that a modern industrial society simply cannot be governed by a pre-industrial political philosophy of racial segregation."

Mr. Chairman, it is indisputably true that the changes that have occurred in South Africa fall far short of meeting the aspirations of the majority of that country's population. But it is equally true that over the past four years fundamental pillars of the apartheid system have eroded. The South African government has recognized the right of at least some of those outside of the white community to exercise political power at the center through the inclusion of Asians and "coloreds" in government. It has recognized, and must soon act on, the principle that denying citizenship to South Africa's blacks is as unworkable as it is ludicrous. It has, in a series of actions, moved away from some of the most visible and offensive elements of racial segregation such as the Mixed Marriages Act and the Immorality Act. It has moved increasingly to recognize that blacks are a central and permanent feature of an urban industrial economy. As a consequence we have seen important movement on urban residency and property rights as well as trade union rights for blacks. Such moves implicitly recognize that it is utterly unworkable to govern South Africa on the basis of laws that ignore these realities. South Africa can no longer deny a political role for blacks at the national level.

It is not historically fair to say that these changes, because they are much less than what is necessary, are only cosmetic. We should recognize that they have the ability to speed the fundamental alteration of an anachronistic system.

We must recognize that the essential precondition for progress is change in the hearts and minds of white South Africans and in the white political alignments to which they give rise. Winnie Mandela, the banned wife of the imprisoned ANC leader, said it best when she told ABC's Ted Koppel that the government of South Africa holds in its hands the key to the question of whether it is too late to avoid a catastrophe, too late for constructive change. In our judgment, she is correct. Despite the obvious limitations of change seen so far, we have witnessed over the past three years the crossing of a historical watershed by the National Party government, which has seen major defections from its own ranks as it undertakes reforms. We cannot afford in this country to underestimate the significance of this realignment in white politics, a process which is producing an electorate and a leadership committed to reform, even as we also acknowledge that the reforms decided on so far do not address central questions and the announcements remain abstract and vague.

In analyzing the South African scene, it should surprise no one that wildly conflicting claims are made about what is really going on in that country. We are dealing with a highly politicized and polarized situation. It does not serve the political interest of white leaders to speak openly about the implications of specific reform steps or to define clearly in advance their current vision of their bottom lines in the bargaining that surely lies ahead. Similarly, it does not serve the political interest of black leaders to give credibility to a reform process from which they have been largely excluded so far or to speak positively about reform measures and models that do not yet offer them access to the corridors of political power. We are witnessing, in short, an effort by leaders of all races in South Africa to keep the faith with their own audiences and to hang onto their constituencies.

In South Africa's highly charged political atmosphere, black anger and grievances have raised new levels of pressure.

We can understand the rage that promotes riots. We can comprehend the fear that promotes repression. But we can accept neither and must condemn senseless violence and the taking of human life. We are seeing today and may see in South Africa for some time to come sporadic violence and governmental repression, coupled with a process of reform. It is going to be a sometimes ugly, messy, process -- two steps forward, one step back -- with unclear goals, unrevealed agendas, and unanswered questions. It is a complex problem, but one which we cannot walk away from. Students of history realize that it is when reform begins that expectations and politization increase. The real challenge, Mr. Chairman, for white and black South Africans today is to bring about the major restructuring of that country in a way that the cure does not kill the patient. No one in South or southern Africa, black or white, would benefit from a South African economy destroyed and a society consumed in racial warfare. We must be responsible in our actions.

South African Legislation

Mr. Chairman, many of those in this country who are now calling for increased economic sanctions against South Africa have adopted the attitude that we should be willing to undertake such punitive measures even if we are unclear as to what the results would be. Otherwise sober and thoughtful people who argue that we best deal with nations with which we have serious policy differences through increased contact, more trade, greater investment, and fuller diplomatic conversations somehow lose that sense of proportion when discussing South Africa. As our own history shows, progress comes with contact, communication, and positive action by succeeding governments and the American people as a whole.

This Administration believes that increased economic sanctions against South Africa will be counterproductive. And, if I may, Mr. Chairman, I would like to offer in shorthand form a dozen reasons why we feel additional sanctions such as those that have been introduced in both houses are misguided.

First, as I have stated before, even the proponents of sanctions cannot demonstrate any predictable positive results from their imposition apart from an argument that we may feel better for having done so.

Second, sanctions are not the only way or even a good way for this country to send a signal to South Africa. They are likely to harden the foes of change rather than the proponents.

Third, the majority of South Africans, that is the black community, is by no means calling for sanctions. I urge you to read closely the words of Bishop Tutu and others and to recognize the validity of several polls that have been taken in South Africa which show that the vast majority of blacks do not favor disinvestment.

Fourth, sanctions ignore the harm that such an approach will inflict precisely on the black majority whom the advocates of such measures want to help.

Fifth, while there is no question that the majority of Americans want to see an end to apartheid, I suggest, Mr. Chairman, that there is no majority in this country for the kinds of economic sanctions which have been proposed, and recent polling bears this out.

Sixth, we should recognize that economics is not the key leverage we have in South Africa, but that our influence is political, moral, psychological, and that sanctions will limit our opportunity to exercise that influence.

Seventh, we should recognize that it is simply bad public policy to go down the road of sanctions which today may be used against South Africa but tomorrow against some other country.

The sanctions which have been proposed offer serious negative precedential problems, for example, in relation to banking and commerce which should not be ignored.

Eighth, in societies which are essentially economically strong such as South Africa, sanctions are unlikely to have major effect. To the contrary, in South Africa's case, sanctions or the threat of them, have encouraged that country to become one of the developing world's largest arms producers and to have one of the most effective coal gasification programs. We should not discount the perverse results of existing sanctions.

Ninth, whatever steps we take in relation to sanctions are not likely to be followed by South Africa's other trading partners. Sanctions are unlikely to be accepted by the international community and it will be simply American businesses and trade which will suffer.

Tenth, increasingly, sanctions talk worries South Africa's neighbors. Though the rhetoric of Africa demands a call for sanctions, the other states of southern Africa are concerned, as well they should be, about the effect on their economies if additional sanctions on South Africa are implemented.

Eleventh, sanctions would be precisely the wrong signal to send at a time when South Africa is changing more than ever. If the South Africa of 1985 is to be penalized more than the South Africa of 1955, 65 or 75, where then is the incentive for further change?

And finally, to round out my dozen, I urge this body to recognize that sanctions are likely to lead us down the road to ineffectual action which will have no positive effect in South Africa and cause others around the world in places far removed from southern Africa to doubt the wisdom and strength of American foreign and economic policy.

Mr. Chairman, I believe that there is a role for the United States to play in promoting a peaceful transformation away from apartheid in South Africa. I believe that working together the Administration and Congress can develop a consensus such as the one called for by Secretary Shultz last week. That consensus will put the American people firmly in opposition to apartheid, while exercising our influence in a responsible manner. I welcome this opportunity to discuss this issue with you today. We are open to the ideas of Congress for ways to increase U.S. influence over pace of change in South Africa. I am sure that working together we can develop programs which meet our goals and which uphold the most essential moral and political values of the American people. Thank you.

SOUTHERN AFRICA: TOWARD AN AMERICAN CONSENSUS

Address by Hon. George P. Shultz, Secretary of State, Before the National Press Club, Washington, DC, Tuesday, April 16, 1985

Much has been said in recent years about the need to rebuild the national consensus in foreign policy—the consensus that assures continuity and purpose in our diplomacy. I share that view.

Consensus does not just happen spontaneously. It must be nurtured, like a garden; it grows from knowledge and experience. Consensus should be a positive force: We need to decide what we are for and know what means are available to achieve our goals; consensus cannot be simply a negative catalogue of what we are against. And we will achieve neither consensus nor results if our public discourse is simply emotional, or divorced from facts and from a realistic understanding of the problems at hand.

Today, I want to speak about an area of the world that has become a focus of interest and debate; and where both our policies and the regional realities are too often misunderstood or even distorted. I am talking about southern Africa.

A great human drama is unfolding in southern Africa, as new nations struggle for stability and progress and as South Africa itself confronts the necessity of internal change. This drama has crucial implications for the United States. The region's future touches on our most basic moral convictions as well as our interests and our global responsibilities for security and peace.

On such an issue above all, a national consensus is imperative. On a question of such overwhelming moral, practical, and strategic significance, our national policy must be coherent, considered, and effective. We simply cannot afford to let southern Africa become a divisive domestic issue—tearing our country apart, rendering our actions haphazard and impotent, and contributing to the ugliest and most violent outcome.

Equally important—and I believe this deeply—the elements of such a consensus exist, based on our principles, our goals, and our capabilities. Few Americans today would contest that we want to help the people of South Africa—black and white—build a just society; and we want to promote peace, freedom, and progress throughout southern Africa. Few Americans would contest that change is inevitable. The question now being debated is: How best can we help South Africans manage that change? What is the most effective way to promote a just and peaceful outcome?

Today I will outline the analysis and the facts that underlie our strategy. I do so with confidence that Americans overwhelmingly support the goals of racial justice, progress, and peaceful change, and are realistic enough to judge for themselves what policies work and don't work.

SOUTHERN AFRICAN REALITIES

In 1981, the new Reagan Administration found in southern Africa a region marked: by growing racial tension in South Africa; by escalating cross-border violence; by Soviet and Cuban intervention in the region; by stalled negotiations for the independence of Namibia, a territory illegally ruled by South Africa; and by governments that were willing, indeed eager, to see the United States undertake an effective and forceful diplomatic role.

To play such a role, we had to take into account hard realities.

The first reality is that South Africa's denial of political rights to the country's majority—apartheid—is not only morally indefensible; it is in the long run unsustainable. South Africa's blacks are making their voices heard, saying that they are no longer willing to live under a system that denies them fair political participation; both demography and economics are on the side of those challenging the old order. The key psychological breakthrough will come when everyone in South Africa recognizes that change is coming; then the question shifts from "whether" to "how." An upheaval of bloodshed and destruction would be a monstrous tragedy for all South Africans of all races.

Second, South Africa is not a small island. It is a regional powerhouse endowed with vast mineral resources and real economic might. It is the hub of the entire area's economy and infrastructure. The bordering states—Mozambique, Zimbabwe, Botswana, Lesotho, Swaziland, Namibia—and even countries farther away such as Zambia and Zaire, are heavily dependent upon South Africa's ports, industries, railway networks, and financial institutions. At the same time, South Africa needs—but to a lesser degree—the markets, the labor, the transport systems of its neighbors. Any policy which ignores this symbiotic relationship is out of touch with reality. A scenario of upheaval in South Africa will spell disaster for its neighbors.

But for much of the past decade, this interdependence has been strained by hostility and armed conflict. This is the third reality: Southern Africa has been a region of conflict, with warfare or armed dissidence of one form or another in South Africa, Zimbabwe, Mozambique, Namibia, Lesotho, and Angola. A senseless cycle of cross-border violence increased in ferocity as guerrillas operating from the black states thrust into South Africa, while South Africa turned on its neighbors with its military might and destablizing efforts.

The violence has provided new opportunities for our global adversaries. And this is a fourth reality. Today there are about 30,000 Cuban troops in Angola, along with Soviet and East European advisers. Soviet aid in the region has been almost exclusively military. Our adversaries have no constructive stake in the region, seeing rather in instability their best chance to expand their influence. When the Soviets and Cubans intervene in a part of the world far from their borders, we had better pay attention. Such intervention threatens African independence, as well as the global balance. The peoples of Africa deserve better than the bankruptcy—economic, political, and moral—of the Soviet model. More and more Africans have come to look to the United States and the West for help in addressing the twin challenges of regional peace and economic survival.

This leads to a fifth reality—the importance of the American role. Of course there are limits to what we can do directly. Our influence over issues and players is not the determining factor in their actions. Nevertheless, we are not without potential to affect events. While the Soviets can fan conflicts and supply the implements of war to pursue them, they cannot produce solutions. That peacemaking role can only be played by a power that has a working relationship and influence with all the parties, including, of course, South Africa.

I have devoted some time to describing the broad regional realities because the regional context is all-important. Its many dimensions are interrelated. The external environment has a direct bearing on the situation within South Africa; a white government that no longer sees itself as besieged from outside its borders will be better able to take the steps it must to reform its own society. Conversely, internal upheavals in South Africa can spill over and complicate the regional diplomacy. An end to cross-border violence is essential if the surrounding black states are to be able to devote their energies to economic development or to offer less tempting opportunities to Soviet adventurism.

From the outset, the Reagan administration undertook to help influence the process of change: to accelerate the peaceful evolution in South Africa away from apartheid; and to diminish the violence and instability that threaten lives and livelihoods throughout the region.

The complexities are daunting. But the United States has confronted an unsatisfactory situation, worked at the problem with care and determination, and achieved a good measure of progress. There have been ups and downs, obstacles and setbacks. But through painstaking diplomacy, we have reached the point where the agenda we proposed is accepted by all participants; where we, not the Soviet Union, have a major say in helping shape the region's political future. There is now less cross-border violence than there has been in eleven years. There has been more reform in South Africa in the past four years than in the previous thirty.

The gains are fragile. Nonetheless, a process of change is clearly under way—offering hope to Africa's peoples if we continue to show responsibility and dedication in helping them manage that process.

SOUTH AFRICA

Let me start with the central issue of domestic reform in South Africa. In pursuing that goal, we have been guided by two important facts.

First, South Africa is not a closed, totalitarian society in which the government controls all aspects of life, all means of communication, all avenues of thought. While the white minority dominates the system, there is in that system a significant degree of openness of political activity and expression—a generally free press, an independent judiciary, vigorous debate within the governing party and in parliament, and vocal critics of all viewpoints. There is nothing comparable in the Soviet Union. This degree of openness reflects the fact that white South Africa is not immune to the moral influence of the West; indeed the white community's desire to be viewed as part of the Western world, and its growing recognition of the need for change, are among the grounds for hope for peaceful change. How many governments in the world would permit ABC's Nightline program to set up shop for a week, probe and dissect the country's ills, film heated debates between government leaders and their most ardent critics, and then show those programs to its people?

Second, we chose to focus on getting results. We cannot have it both ways: We cannot have influence with people if we treat them as moral lepers, especially when they are themselves beginning to address the agenda of change. South Africa's neighbors recognize this. We must too.

By the same token, this has not kept us from speaking out—to South Africans of all races and to the American people. We have conveyed the message to the South African Government that a more constructive relationship with the United States is possible; *Provided,* That it demonstrates a sustained commitment to significant reform toward a more just society:

We have consistently called for an end to apartheid;

We have spoken out forcefully for press freedom and against repressive measures such as forced removals, arbitrary detentions, and bannings;

We have called for political dialogue between blacks and whites and for an end to Nelson Mandela's long imprisonment;

With our support, U.S. businesses have become a positive force for change in South Africa by adopting the Sullivan Code of fair labor employment practices and by providing educational, housing and other benefits worth more than $100 million to their black employees over the past few years; and

We have developed nearly $30 million in assistance programs to train leaders in the black community to help them work more effectively for change in their own society.

The truth is that South Africa is changing. For the most part, the transformation is being brought about by reality—by the growing realization that a modern industrial society simply cannot be governed by a pre-industrial political philosophy of racial segregation.

The old illusion that South Africa's blacks could live permanently or enjoy citizenship rights only in designated tribal homelands—so that in the end there would no longer be any "South African blacks"—is being abandoned. Blacks are no longer prohibited from acquiring property rights in the supposedly "white" urban areas. The right of blacks to organize trade unions has been recognized, and black unions are now a powerful factor on South Africa's industrial relations scene; fully 50 percent of trade unionists in South Africa are black. Central business districts are being opened to black businessmen, and cities like Durban and Cape Town are desegregating their public facilities. Faced with the obvious injustice of forced removals of settled black communities, and with the obvious inability to stop the influx of blacks into the cities, the government has suspended such removals and is shifting to what it calls an "orderly urbanization" policy.

The government has now acknowledged that it must consult with representative blacks about political participation outside the tribal homelands and at the national level; mere local self-government is understood to be inadequate. Just this week, the government accepted a special commission's report that calls for the abolition of laws banning interracial marriage and sexual relations—one of the most important symbols of apartheid.

If we recognize that white opinion holds vital keys to change, then we must also recognize that change must originate in shifts in white politics. In this regard, in the past three years, the white government has crossed a historical divide: It has been willing to accept major defections from its own ranks in order to begin to offer a better political, economic, and social deal to the nation's black majority.

These changes are not enough. South Africa is not now a just society. Serious inequities continue: repression, detentions without trial, and the prospect of treason trials for some black leaders. The issues of common citizenship for all, and of black political rights, have been raised but not yet concretely addressed by the government. The hated pass laws and influx control continue, though the government appears to be rethinking its actions on this front. Much more must be done. Change has just begun, but it has begun. Our job is to continue to encourage it.

The recent domestic violence is clearly a setback. All Americans are saddened and dismayed at the almost daily reports of violent encounters that have caused nearly 300 deaths among black South Africans over the past nine months. The United States has consistently, repeatedly, and publicly deplored this bloodshed and the police tactics that only produce killings and add fuel to the unrest.

There is no excuse for official violence against peaceful demonstrators. Any government has a duty to maintain law and order. Nevertheless, that cannot be done simply on the basis of force; law and order also means due process, and adequate channels for airing and resolving grievances.

But just as we recognize the right of peaceable assembly, so, too, if we are to be taken seriously, must we reject the right of any to take the law into their own hands. That is a formula for anarchy. We applaud the courage of those black leaders who press for non-violent change, confronted on one side by a surging mass of black bitterness and on the other by a long-unresponsive political system. We welcome the words of Bishop Desmond Tutu, Nobel Peace laureate, who urged a crowd of blacks at a funeral the other day: "Don't undermine our wonderful cause. Let us not use the methods that are used against us by our enemies. When we finally achieve our goal of freedom, we must be able to look back with pride at how we got there."

There are responsibilities here for all South Africans, and most particularly for those in authority. We hope the government will move quickly and concretely to restore confidence in its reform commitments; we urge it to take up the dialogue with black leaders about the road to a just society. We urge all South Africans to take advantage of openings for peace.

REGIONAL SECURITY

Peace within South Africa, as I said, is directly linked to the question of regional peace. A society that feels immensely threatened by outside forces is less likely to loosen the controls at home. Nor can black states normalize their relations with their South African neighbor so long as there is no convincing movement away from apartheid.

The United States has worked hard, and successfully, to maintain the confidence of the parties and to facilitate negotiated solutions:

We helped bring South Africa and Mozambique together in the Nkomati Accord of March 1984, ending government-supported cross-border violence and promoting economic cooperation. This accord faces serious challenges, but both sides are committed to making it work.

We helped Angola and South Africa agree on a plan for the withdrawal of South African forces from Angola and control of SWAPO and Cuban troops in southern Angola. The war between South Africa and Angola is over; there has in fact been peace for the last 14 months. The few South African troops left in Angola as part of a joint monitoring commission will be withdrawn this week as the final step of disengagement. The problems of Angola and Namibia are far from solved, but this marks important progress.

Our diplomacy, in concert with key Western allies, has brought Namibia closer to independence than ever before. Agreement on a timetable for Cuban troop withdrawal from Angola is the one issue remaining in the overall settlement package. Let there be no mistake about it: U.N. Security Council Resolution 435 remains the only internationally acceptable basis for a solution.

The United States has helped bring about understandings between Lesotho and Botswana, on the one hand, and South Africa on the other, averting potential conflicts.

And we helped move Mozambique away from heavy dependence on the Soviet camp and closer to true nonalignment. We demonstrated to Mozambique that its best interests are served by closer cooperation with the West, and by rejection of confrontation with South Africa. The trend of our relations with Mozambique is positive and needs further encouragement.

All of these steps have lessened the danger of warfare. But the situation remains fragile; it requires the continued pragmatism, realism, and dedication of the parties involved. New opportunities have been created; they should be seized.

AMERICA'S RESPONSIBILITY

Southern Africa is thus, clearly and unmistakably, in a process of transformation. The only question is how this change will come about. The idea that our policy is simply reinforcing the status quo is an utter misconception—a display of ignorance of what is going on. We are engaged as a force for peace and for constructive change throughout southern Africa. This is the only responsible course, and we will not be deflected from it.

Some believe that the United States should have nothing to do with Marxist regimes such as Angola or Mozambique, leaving them to cope with their predictable economic failures or throwing in our lot with their armed opponents. Such a notion ignores the realities on the ground in southern Africa as well as significant distinctions between those two countries.

In Angola, when the Portuguese granted independence, a number of black liberation movements competed for power. A Marxist party took over the country in 1975 backed and sustained by the massive Soviet/Cuban intervention. UNITA, an important indigenous nationalist movement, was denied a share of power. The U.S. Congress passed the Tunney and Clark amendments barring any U.S. support for those

Angolans opposing the Soviet/Cuban intervention—as if to grant the Marxist regime immunity against its own people; the Brezhnev Doctrine—which declares that Communist revolutions are irreversible—was, in effect, enacted into American law. Since 1975, UNITA has waged a determined armed struggle in the countryside against the MPLA government's monopoly of power; it has steadily grown in strength and territorial control.

We do not believe that Angola's agony—still continuing ten years after independence—can be resolved militarily. In our contacts with both the MPLA government and UNITA, we sense little optimism about military solutions. Our diplomacy, therefore, has sought constructive alternatives to open-ended warfare and suffering. By focusing on the related international questions of Namibian independence and Cuban troop withdrawal from Angola, we have taken important steps forward. The principle of a regional settlement involving these two issues—Namibia and Angola—is now accepted; the next step is to agree on specifics. If we succeed, Africa's last colony will achieve statehood, and foreign intervention and foreign forces will be removed from the Angolan equation. This can set the stage for all Angolans to work out their own future and achieve reconciliation at home.

In Mozambique, we make a different calculation based on different facts. Mozambique and South Africa have moved toward coexistence based on their own national interests. This prospect, which we encouraged, offered an opening for improved relations with Western nations and Western help for Mozambique's shattered economy. We have seized these openings. By competing, we have strengthened a trend favorable to our interests. In these circumstances, our European allies, South Africa, and Mozambique's other neighbors have thrown their weight behind that country's turn toward moderation. We have done the same.

There are also those who believe we should cut our ties with the government of South Africa because of its racial policies. This is just as mistaken as the idea that we should refuse to deal with Angola and Mozambique because of their Marxist inclinations. We cannot bury our heads in the sand. We do not enhance our ability to influence change in the region by eliminating ourselves as an actor.

Some propose that we try to cut South Africa off, to run it out of the Western world through boycotts, embargoes, and sanctions. They argue that even if such actions do not bring about change, our position will "put us on the side of right." I reject that view. It leads us down the road to ineffectual actions that are more likely to strengthen resistance to change than strengthen the forces of reform. It ignores the harm that such an approach will inflict precisely on the black majority whom the advocates of boycotts, embargoes, and sanctions purportedly want to help.

Opinion polls in South Africa by reputable organizations reveal that the overwhelming majority of black factory workers are opposed to disinvestment by American firms. An economy that even now needs to create 250,000 new jobs for young blacks each year, and that will have twice as many of them entering the job market by the turn of the century, needs more job opportunities, not fewer.

I do not understand why it is good for American investors to create jobs for black workers in Zimbabwe or Zaire, but not in South Africa. And I suspect the tens of thousands who have flocked to the squatter's camp at Crossroads outside Cape Town in a desperate search for work would not understand either. Nor would the more than one million Africans from the surrounding nations who have moved into South Africa in search of employment.

I do not accept the argument that it is in our interests to help a black middle class develop in Guinea or Gabon, but not in South Africa.

I do not agree with those who argue that American companies should promote the social and educational advancement of their black workers in Sierra Leone or Senegal, but not in South Africa.

Now, I am quite aware that some of the proposals now before the Congress are not, strictly speaking, disinvestment bills. Instead they are couched in terms of conditional bans on "new investment," or new loans, unless certain political changes are made within a year or two. Other proposals would make the voluntary Sullivan Code mandatory and severely penalize firms that do not comply adequately. Well-intentioned as these proposals may be, let us not kid ourselves about their likely effect. Given the additional risks and uncertainties which such legislation would create, many U.S. firms are apt to conclude that their continued presence in South Africa is simply no longer worth the candle. The result will be reduced American influence.

U.S. firms, private U.S. groups and foundations, as well as the U.S. Government, have played an important role in influencing the changes we have seen. That is because they were there.

The only course consistent with American values is to engage ourselves as a force for constructive, peaceful change. It is not our business to cheer on, from the sidelines, the forces of polarization that could erupt in a race war; it is not our job to exacerbate hardship, which could lead to the same result.

At the same time, a clear bipartisan American voice that rejects apartheid as an unjust, anachronistic, and untenable system is another essential building block of a successful policy. And here I return to my opening theme of consensus. As long as Americans speak with contrary and confusing voices, our influence will be less than it could be.

What, then, can we as Americans agree on?

First, we can all agree that southern Africa is an important part of the word that demands our attention.

Second, we can all agree that the pace of change, of reform and development in each of the countries of the region, depends on regional peace and stability. Continued conflict only helps perpetuate racism and poverty.

Third, we can agree that apartheid must go. It is a system contrary to all that we stand for as a nation.

Fourth, we can agree that we are more interested in promoting real progress than in posturing, debating points, or grandiose schemes that are likely to prove ineffectual.

Fifth, we can agree that in southern Africa, as in every other part of the world, the engine of economic and social advancement is the productive private sector and its links to the global economy.

And, finally, we should agree that America's role must always be on the side of those seeking peaceful change. We should agree that we do not support violence, but that we do support—and will support aggressively—those who have committed themselves to promote change and justice.

These are the elements for a broad consensus that will allow America to speak with one voice.

We must recognize the importance of what has been taking place in South Africa in recent years, and we must reinforce that process creatively. Only by engaging ourselves can we hope to do so. We will not be the main actors in this human drama; that role must be played by the region's people—black and white Africans. But we must not stand by and throw American matches on the emotional tinder of the region.

Our morality and our interests coincide. America's values and America's global responsibilities both compel us to stay engaged, to work actively for justice and decency and reconciliation. We should be indignant at injustice and bloodshed—but indignation alone is not a strategy. The morality of a nation's policy must be judged not only by the noble goals it invokes but by the results and consequences of its actions.

If all Americans work together, this nation can be a major force for good. Thus we serve our highest ideals.

STATEMENT OF HON. KENNETH W. DAM, DEPUTY SECRETARY OF STATE BEFORE THE SENATE BANKING, HOUSING AND URBAN AFFAIRS COMMITTEE ON SOUTH AFRICAN LEGISLATION, APRIL 16, 1985

Mr. Chairman, thank you for the opportunity to speak to you today on U.S. policy towards South Africa.

I believe that all Americans find repugnant the system of racial discrimination called apartheid that is practiced there. We are united in our belief that apartheid is morally abhorrent, politically unsustainable and economically wasteful. But moral indignation, no matter how natural and justifiable, is not a substitute for an effective foreign policy—certainly not for an activist world power that seeks change in a manner that will benefit all South Africans.

The issue, then, is what we as a nation can do to promote positive and non-violent change toward a more just order—an order that recognizes fundamental human rights and political liberties in South Africa.

It is the position of this Administration that sanctions, such as those in the legislation before you today, would be counter-productive: they are more likely to strengthen resistance to change than to strengthen the forces of reform. Moreover, they do not even put us, as some say, "on the side of right." If our moral imperative as Americans is to encourage freedom and reform, we must reject sanctions: we do not enhance our ability to influence change by eliminating ourselves as an actor.

Mr. Chairman, I should like to briefly review the situation in South Africa, the extent of U.S. influence there and the current U.S.-South African relationship, which is based on anything but business as usual. Then, I should like to briefly analyze some of the principal sanctions that have been proposed in S. 635—and other legislation as well.

The policy of this Administration has been to forment change away from apartheid: by unambiguous public statements condemning apartheid's evils; by reinforcing these views with quiet diplomacy; by working with elements within South Africa that share a vision of peace and equity; by encouraging laudable fair employment practices of U.S. companies; and by involving ourselves as a government in financing programs—some $30 million in three years—to give South African blacks better training and educational opportunities.

In part because of U.S. encouragement, change in South Africa has begun—barely, but it has begun. More progress towards justice in that society has been made in the last few years than in the preceding three decades. The concept that South Africa's blacks have no citizenship rights outside the tribal homelands has been abandoned and blacks today have certain urban residency rights in areas that were unavailable a few years ago. Black trade unions have become a powerful force in industry. The government has suspended the forced removal of settled black communities. It has just announced that it will support repeal of two of the more odious aspects of apartheid, the Mixed Marriages Act and that portion of the Immorality Act which proscribes sexual relations between the races. Central business districts are being opened to black businessmen. Cities throughout South Africa have abolished the trappings of petty apartheid such as segregated parks and swimming pools. The government has acknowledged the need to consult and negotiate with representative blacks outside the tribal homelands.

Tragically, of course, much remains to be done. South Africa still cannot be considered a just society whose system derives its authority from the consent of the governed. Black leaders continue to be detained without trial or charged with treason. Violence has increased in recent months with tragic results. The government has yet to repeal the hated pass laws or to devise mutually acceptable mechanisms for negotiations with black leaders.

We must use our influence to promote further peaceful change but we must not overestimate the degree of our influence. South Africa has traditionally pursued a course it believes to be in its own best interest and has been open only to those who bear what it believes is a constructive message based on an intelligent appraisal of the complex realities it faces. In addition, South Africa looks to us as perhaps the only non-African nation capable of playing a constructive role with all the nations of southern Africa in the search for regional peace.

We must not overlook this regional aspect in assessing the South African issue. The region has seen almost continuous conflict with armed clashes taking place in South Africa, Zimbabwe, Mozambique, Namibia, Lesotho and Angola. Guerrilla attacks launched against South Africa from neighboring black states have provoked cross border retaliation by South Africa. One of the primary goals of our policy has been to reduce this violence between neighbors, and in this we believe we have had some success.

It is important to recognize that our influence with South Africa does not derive from a client relationship. In fact, our military, political and economic relations with South Africa are by design far less intimate than with many other states of similar political and economic importance. Indeed, significant restrictions are already in place that circumscribe our trade and cooperation in the military and nuclear areas, and impose a political stance that results in our clearly dissociating ourselves from apartheid.

For example, in an effort to eliminate apartheid, U.S. arms sales to South Africa have been embargoed since 1963, and in 1977 the United States joined the United Nations in imposing a further mandatory arms embargo on South Africa. Our regulations are in fact more severe than the U.N. embargo and restrict U.S. exports to the South African military and police of items not covered in the U.N. embargo. In December of last year the United States joined with other U.N. Security Council members in voting for an embargo on imports of arms and ammunition produced in South Africa.

Our commercial relationship is now also restricted. Eximbank is essentially prohibited from financing U.S. sales to South Africa except under very restrictive circumstances. OPIC does not provide guarantees for South Africa. Our representative at the IMF must "actively oppose any facility involving use of fund credit by any country which practices apartheid" unless the Secretary of Treasury makes certain certifications to Congress. U.S. trade fairs do not travel to South Africa. We carefully review export license applications for the export of, among other things, U.S. crime control equipment to prevent the use of such items in the enforcement of apartheid.

This, then, is the reality of our relationship: limitations on a vast portion of our military and commercial transactions. To argue, as some do, that our relationship is based on business as usual—or that our government has a "normal" relationship with South Africa—is patent nonsense.

Some argue that we should go further and try to run South Africa out of the community of nations through boycotts, embargoes, and sanctions. The legislation before you, for example, would prohibit bank loans to the South African Government or its parastatal corporations. We fail to see how this would hasten the end of the apartheid system. Indeed, it would hurt U.S. and allied business more than it would help reform in South Africa.

A prohibition on bank loans would create a dangerous precedent undermining the U.S. policy that international capital markets should remain free of government interference and that lending decisions should be based on market rather than political considerations. If bank loans to South Africa should be prohibited, then South Africa would be the only country with which the United States has diplomatic relations that would be subject to a U.S. bank loan prohibition; this is an important precedent for the Banking Committee to bear in mind.

The result of such a prohibition on bank loans would be that parastatal agencies far removed from the development of apartheid policy, such as the Electricity Supply Commission or South African Airways, would be unable to get U.S. financing for the purchase of American products. This would penalize U.S. banks and firms doing significant business with these entities, without any real impact on South Africa. Almost certainly other counties' banks would replace U.S. banks as a lending source and their factories would benefit from the orders that would have gone to U.S. firms.

In addition, any extension of an effective loan prohibition to cover foreign affiliates or branches of U.S. banks would raise serious questions about the extraterritorial application of U.S. law. The result would be strong objections from our allies who would consider their sovereignty violated.

The Administration also opposes the adoption of a prohibition on new investment in South Africa. Our opposition is based on three points. First, such a prohibition would limit opportunities for expansion by precisely those firms that have done the most to promote social change in South Africa. It would thus "freeze" the number of black employees benefitting from the Sullivan Code and similar codes of corporate conduct. Such a "freeze" would in turn slow the process of change inside South Africa in which the more progressive U.S. firms have been in the forefront.

Second, this measure would discriminate against U.S. firms that might desire to invest in South Africa, by offering in effect an oligopolistic situation for firms already there. To the extent that the absence of U.S. investment might create market opportunities in South Africa, there is little doubt that some of our economic competitors around the world would step in to fill such a gap.

Third, and most important, as a direct consequence of a prohibition on new investment, black South Africans would lose new job opportunities or be denied opportunities to be employed by the more progressive U.S. firms. An economy that must create 250,000 new jobs for young blacks each year, and that will have twice as many of them entering the job market by the turn of the century, needs more jobs, not less.

In addition to a prohibition on bank loans, another proposal would also require that U.S. firms in South Africa be made to comply with mandatory labor standards. This proposal would mandate the adoption by U.S. firms in South Africa of employment standards such as those contained in the Sullivan Principles, which are voluntary in nature. In our view, it has been precisely the voluntary nature of these principles that has resulted in their successful application to date by U.S. firms operating in South Africa. While less than a majority of the U.S. firms in South Africa have actually adopted the Sullivan Principles, the largest U.S. firms have done so, with the result that more than 70 percent of the non-white employees of U.S. firms in South Africa are covered by these principles. Through continued persuasion, we believe more firms will join this effort.

Requiring companies to adopt labor standards and threatening prosecution for failure to do so is likely to undercut the positive achievements of the U.S. Sullivan signatory firms. The voluntary nature of the Sullivan Code has served to set an example for European and South African firms to break with the old, racist ways of doing business. The U.S. companies, through Sullivan, proved that individual efforts could help move the system in a positive direction. These firms have spent over $100 million outside the workplace to aid their employees and others in the black community. In addition, given the delicate business climate faced by firms that invest in South Africa, making labor standards mandatory could prove to be the final straw in causing some U.S. firms to reconsider their presence in South Africa. Their withdrawal would mean that fewer, rather than greater, numbers of black South Africans would come to enjoy the benefits of working for firms that adhere to enlightened labor standards.

These fair labor standards were originally developed to be a voluntary guide for firms, not a legal code. Some of the measures under consideration, however, would require the United States Government to make highly complex legal judgments, based on vague and imprecise standards, on each U.S. firm and impose severe penalties on firms that are not certified as being in compliance This would not only be unfair to the firms involved, but would be unworkable as well.

Finally, other bills before you would impose a blanket prohibition on the export of nuclear equipment and technology. Such a prohibition would undermine our ability and leverage to broaden the application of international safeguards in countries that do not presently accept full-scope safeguards. Such a blanket prohibition on the export of all dual-use goods and nuclear equipment or technology to South Africa, as well as all other non-full scope safeguard states, would undercut our non-proliferation efforts and would reduce our influence in such countries' nuclear programs.

All applications for exports of nuclear-related equipment or assistance are already thoroughly reviewed as to their proliferation implications and their effect on foreign policy. In the case of states that have not accepted full-scope safeguards, only limited non-sensitive assistance is permitted—and then only when it will advance our non-proliferation objectives. In the case of South Africa, our dialogue with that government on non-proliferation matters, coupled with a willingness to allow extremely limited, non-sensitive assistance to facilities in South Africa that are under IAEA safeguards, contributed to three important decisions by the South African Government last year: first, to require IAEA safeguards on all its nuclear exports; second, to export only according to the Nuclear Suppliers Group Guidelines; and third, to renew talks with the IAEA concerning placement of its semi-commercial uranium enrichment plant under IAEA safeguards.

In sum, Mr. Chairman, this Administration does not believe that any of the punitive measures in the bill before you, or similar ones in other bills that have been proposed, will hasten the demise of apartheid. We do not believe it is wise to withdraw the limited tools of influence we do have and simply hope the problem goes away. To impose sanctions might express our grief and anger over the violence that has recently taken the lives of so many in the Eastern Cape and elsewhere in South Africa. Such action would not however, ameliorate the burdens of the victims of apartheid. Indeed, the likely result would be to increase those burdens and squander our influence, thus making the U.S. essentially irrelevant to the process of change in South Africa.

In short, it is difficult to see how South Africa will be a better place without U.S. influence and presence there, limited though they are. If what we seek is to influence positive change within South Africa and to encourage regional stability (including the establishment of an independent and internationally recognized Namibia), then sanctions must be rejected.

The CHAIRMAN. Thank you very much, Secretary Crocker. I look forward to working with you and members of your staff on legislation that this committee may come forward with.

Because the points that are involved in the legislation which Senator Kennedy and Senator Weicker have introduced have been before us in this committee previously, let me ask for specific comments about such things as, first of all, the stopping of the sale of Krugerrands. Dealing with that specific issue, what is wrong with stopping the sale of Krugerrands in the United States?

Mr. CROCKER. Well, there are a number of points that I would bring to bear, Mr. Chairman.

It seems to us, first of all, given that gold is really what we are talking about and that gold is fungible, there is no basis to predict that this, in fact, is a punishment which will have any impact on the South African authorities. If there is demand for gold, gold will be sold. It will be exported and it will be imported in one form or other. So it is unlikely, in fact, to have any coercive leverage at all over the South African authorities.

I think the second argument that needs to be borne in mind on the case of Krugerrands is an issue that is an important one, namely, does this bring us into violation with our commitments under GATT. That issue has not been tested in the GATT; but there is a substantial body of opinion which believes that it would put us in violation of GATT and could lead to retaliation by the South Africans.

The **CHAIRMAN**. So there is a specific GATT problem that needs to be explored.

How should we go about, as a committee, getting a reading on that? We are moving along through hearings, and this is an issue that has some degree of popularity, if not for immediate application, given the formulation the committee had before, 2 years down the trail, if activities do not change in South Africa.

Mr. **CROCKER**. Mr. Chairman, we would be happy to submit, on an urgent basis, some further technical material on that question, including both the economic and the legal aspects of it.

The **CHAIRMAN**. We would appreciate that very much.

[The information referred to follows:]

KRUGERRANDS IMPORT BAN—GATT COMMITMENTS

The question whether a flat ban on the importation of Krugerrands would be in violation of the GATT is difficult to answer definitively, and would ultimately be decided by the GATT Council should a challenge be brought. The proposed ban would appear to violate the GATT prohibition on quantitative restrictions. The GATT does contain an exception for measures "relating to the importation or exportation of gold or silver." Such measures, however, are subject to the qualification that they may not "constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail." There is a serious question whether the GATT would construe this qualification as permitting a selective import ban based on political or moral grounds. To our knowledge this provision has not been authoritatively interpreted by the GATT.

It is difficult to predict whether South Africa would choose to raise a GATT challenge were we to impose an import ban on Krugerrands. South Africa has filed a GATT challenge against Canada with respect to a provincial sales tax which discriminates against imported gold coins, including the Krugerrand. If South Africa were to challenge any import ban on Krugerrands imposed by the United States, the GATT could authorize South Africa to take retaliatory measures against U.S. trade proportionate to the effects of the ban on South Africa. Such authorization could be granted even if the ban does not violate the GATT, since the GATT provides relief for GATT-consistent actions that "nullify or impair" the benefits of the GATT.

The **CHAIRMAN**. Let me also ask about the point of prohibition of bank loans to the Government of South Africa. Suggestions were made by Senator Kassebaum that such loans may have trailed off substantially in any event. Specifically, what problems are there with that particular idea?

Mr. **CROCKER**. Mr. Chairman, I wish to answer that question. I would at the same time draw attention to the fact that the legislation that I think we are referring to, as drawn, also has the impact of denying bank loans to private entities in South Africa under the new no investment formulation.

So, in fact, although its proponents say it is a very modest measure and is aimed only at the Government, what we are talking about here is sanctions against the people of South Africa, against private corporations in South Africa, and against South Africa, in general, as a means of getting at the Government.

So, despite what is said, we believe these measures would, in fact, go well beyond simply the question of loans to the Government.

It seems to us that what we are talking about in the case of bank loans vis-a-vis the Government specifically is that it simply does not provide us any meaningful basis for influence. Three hundred million dollars of loans outstanding to the Government is such a marginal aspect of South Africa's overall indebtedness that it does not provide any credible basis.

Second, it would discriminate against U.S. firms that seek exports to Government agencies in South Africa, Senator, which are not in any way involved either in police or military activities or in activities concerning the enforcement of apartheid. Examples are such things as railways, such things as airlines, such things as electrical utilities. We do not believe that that makes a whole lot of sense.

The CHAIRMAN. So you would separate the two considerations, although some of your objections really are to both. But you feel that the loan ban on the Government in the Kennedy legislation goes to private enterprises, and that these are really not the objects of our scorn at this point and, therefore, that a distinction ought to be made?

Mr. CROCKER. That is correct.

In addition, I think it must be pointed out that any effort to prohibit bank loans to the Government of South Africa and its agencies raises basic questions about our international financial policy and our views on the freedom of capital movement on a worldwide basis.

This is not something that we do at present, and it would raise, from the standpoint of our colleagues from other executive departments—Treasury particularly—I think there are very grave concerns about the worldwide effects of that and the precedent that is being set.

The CHAIRMAN. So there are problems of consistency within our own policies in regard to all nations?

Mr. CROCKER. Our worldwide financial policies, that is correct. It could even, depending upon how it is interpreted, get into questions of extraterritoriality. We have been down that road before. If I can put it in this way, it opens a can of worms.

The CHAIRMAN. What about a prohibition of computer sales to the Government of South Africa? What problems are there with that?

Mr. CROCKER. Senator, we have been aware for a number of years of the sensitivity of that sort of export to agencies which, again, are involved either in police or military activity or in direct enforcement and application of apartheid policy. Such computer sales do not take place. We have in place extensive controls on the export of such items in order precisely to avoid such possibilities. We think that these controls work. We insist upon valid end user certificates. We have post-licensing checks. We know where these computers are going, and I think the system in place is working adequately.

The CHAIRMAN. Senator Pell.

Senator **Pell**. Thank you, Mr. Chairman.

You mentioned earlier that our leverage or influence in South Africa is not economic, but political and moral.

In view of that fact, why would not the idea of withdrawing most-favored-nation treatment have some effect because it would lump South Africa as it should be lumped, as a great abuser of human rights together with the Soviet Union and the countries of Eastern Europe, where those rights are also abused? After all, we suspended most-favored-nation treatment for Poland on human rights grounds.

Why would this not be a pretty effective gesture and in our national interest?

Mr. **Crocker**. Senator, I think you are asking an important question and I would like to put it into context for a moment.

You know our position on economic sanctions. It has been stated already by people of more senior rank than me, as well as by me this morning.

The example of Poland was used before as an arguing for withdrawing most-favored-nation status. I would point out that we have in place today more sanctions against South Africa under current policy than we do against Poland. There is no evidence, which is my second point, that the MFN decision that was taken has had any material impact on the policies of the Government of Poland.

So, the main impact that you can predict, if we were to go this route vis-a-vis South Africa is that it would put us in direct violation of our treaty obligations under the GATT and could again lead to retaliation.

Senator **Pell**. Well, the psychological fact that we are lumping South Africa, as a great abuser of human rights, with the Communist countries, which are also abusers of human rights, would that not have an impact far greater than the economic impact? That is my point. I am talking about the court of world opinion.

Mr. **Crocker**. We, too, are concerned about the court of world opinion. I think we have to ask ourselves, all of us, some questions, and they are difficult questions, as to what is most effective in the court of world opinion.

Many measures are being considered in the House and the Senate today, and we are aware of that. As I said, we are sensitive to world opinion.

I think when the President spoke out on Human Rights Day, as he did, with a lengthy statement on human rights abuses and countries where there are major problems with human rights, and when he addressed forcefully and clearly the issue of South Africa, the killings and the oppression there, and the apartheid system itself, it was a very clear and obvious statement that carried far more potency than playing with export regulations or moving into trade sanctions vis-a-vis a country, Senator, which does not depend on us.

We have no military assistance relationship, we have no foreign economic aid relationship with them. They have alternatives. There are others just waiting in line to pick up the opportunities if we walk away.

Senator **Pell**. Thank you.

I am afraid that we have to disagree on this in that I do not think that the world's perception of the United States as a defender of human rights is very high. I think there has been a vast change in the perception of the United States in the last 5 years, and we just have to agree to disagree.

You mentioned in your testimony the words of Bishop Tutu and others and recognized the validity of several polls that have been taken in South Africa which show that the vast majority of blacks do not favor disinvestment.

Would you submit for the record those polls that you are referring to?

Mr. Crocker. I would be very happy to, Senator. We think they state a very clear case. We are aware of the fact that there are a variety of views in the black community in South Africa, but I think the polling data that is available to us is from many sources.

[The information referred to follows:]

South Africa Polls on Disinvestment

In mid-1984 Professor Lawence Schlemmer, a well known social scientist from the University of Natal, conducted a survey among 551 black South African factory workers in the privacy of their homes and in the language of preference. Seventy-five percent of those polled indicated a preference for continued trade with and investment in South Africa by the United States and Western nations.

Several further studies have been conducted by polling organizations in South Africa in recent months which confirm the validity of the Schlemmer survey. Briefly, these studies are:

The Human Sciences Research Council (HSRC) report on who would suffer most should overseas disinvestment occur. A cross section of 1478 blacks in a major industrial area were polled. Sixty-six percent felt that nonwhites would be most hurt by an economic boycott, which only 10.2 percent favored.

Market Research Africa (a commerical research organization) survey about U.S. disinvestment as a means of pressuring the SAG to remove apartheid. Of the 1,000 blacks questions in 8 metropolitan areas, 79 percent rejected the disinvestment position (20 percent supported this option).

The Johannesburg Sunday Star's 1-day snap survey (February 17, 1985) on disinvestment. Nearly 500 blacks in Johannesburg were polled. Fifty-one percent opposed disinvestment.

Senator Pell. Would you now verbally give us an example of the poll that to you was most convincing. Who took it, for example?

Mr. Crocker. Well, there have been polls conducted by various market research firms in South Africa, which are state of the art and which are relied on very heavily for decision in various areas.

Senator Pell. But who engaged the poll—South African firms?

Mr. Crocker. These are South African market research organizations.

Senator Pell. Well, obviously, as you know, you can make a poll come out any way you want. Have there been any independent polls taken?

Mr. Crocker. There have been polls taken by the most distinguished pollster in South Africa, who is on the faculty of the University of Natal-Durban. There have been a variety of polls taken. These are the most credible polls that are available to us. If people have alternative polls, we would be most interested to see them.

Senator Pell. You do not have any poll taken by a non-South African source?

Mr. Crocker. I am not aware of such a poll having been conducted.

There have been polls taken in this country on occasion about American opinion toward economic sanctions. We can also submit them for the record.

Senator PELL. All right.

I would appreciate it if you would submit those.

[The information referred to follows:]

U.S. POLLS ON DISINVESTMENT

Business Week magazine published a Harris poll on February 11, indicating that most Americans, while aware of and opposed to apartheid, do not support efforts designed to restrict U.S. investment in South Africa.

Specifically, to the question, "Should the U.S. press the SAG to give blacks more freedom and participation in government?", in a survey of 1,254 Americans, 68 percent were in favor while 21 percent opposed. Yet, when questioned about economic sanctions, 51 percent disagreed that new bank loans should be barred; 54 percent rejected blocking all new business investment; 66 percent rejected the option of ending all trade with Africa, and 76 percent were against forcing U.S. businesses to close down existing South African operations.

BUSINESS WEEK/HARRIS POLL: FIGHT APARTHEID, BUT DON'T CLOSEUP SHOP

(By Stuart Jackson in New York)

American corporations may be reassessing whether it's worth the trouble to do business in South Africa. But if they choose to leave, it will not be because the U.S. public demands it. By substantial margins, Americans are opposed to applying economic sanctions of any sort to South Africa in order to force it to modify or abandon apartheid.

That opposition, the chief finding of a new BUSINESS WEEK/Harris Poll, does not appear to reflect public tolerance of the country's racial policies. In fact, three-quarters of those surveyed said that they did not approve of apartheid. Americans simply conclude that tougher measures would not work—and indeed might harm the interests of South African blacks.

The same top-heavy percentage opposes any U.S. government effort to force American companies to withdraw from South Africa, arguing that a pullout would be "somewhat effective" at best in bringing about change. And by 61% to 31%, those polled said it would be "against the interests" of black employees of U.S. companies if their employers closed down.

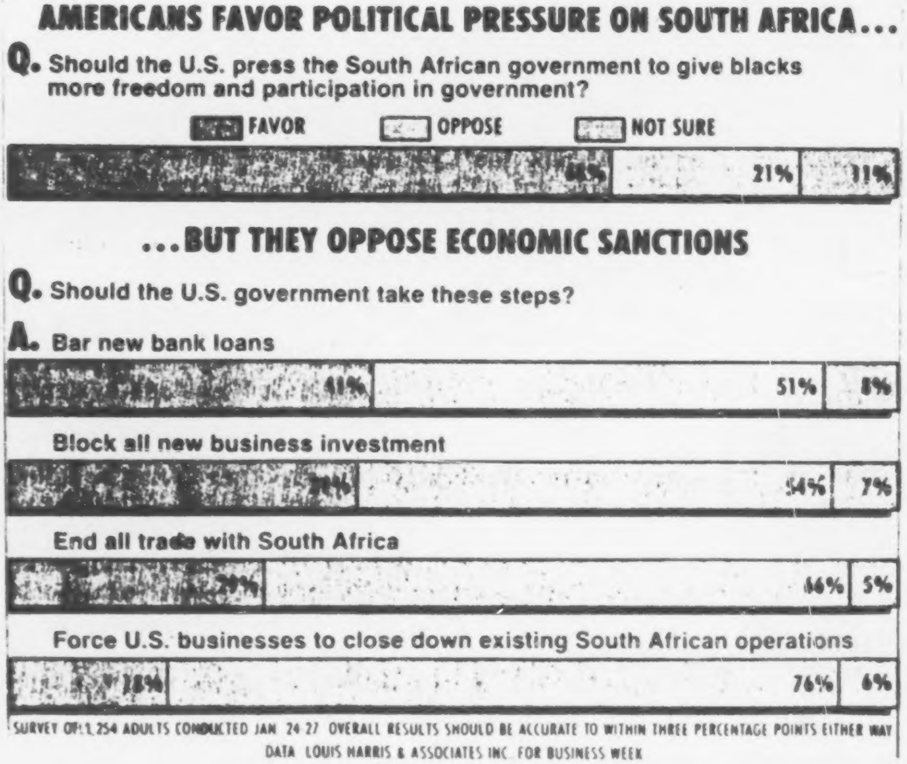
MILITARY BAN

Instead, Americans seem to endorse President Reagan's policy of relying on quiet diplomacy to bring about an easing in Pretoria's racist policies. By 58% to 37%, they believe that such an approach is superior to stronger action.

But increasingly, Americans expect U.S. companies in South Africa to join the campaign against apartheid. By a margin of almost 3 to 1, Americans want those companies to "put pressure on the South African government to change its racial policies." Nine years ago, when Louis Harris asked a similar question, fewer than 50% felt that way.

Opposition to economic sanctions appears to have mounted steadily. In 1976 a bare majority opposed a policy that would force U.S. businesses to divest their South African interests; 76% are now opposed. Similarly, in the earlier survey, a plurality of those polled favored barring new U.S. investment. In a shift of sentiment, an absolute majority now opposes that idea. Americans also reject the suggestions of some apartheid opponents that U.S. banks be barred from lending in South Africa or that a trade embargo be imposed (chart). By a narrow margin, however, they favor the existing ban on military sales.

The poll does suggest that Americans are not comfortable with the U.S.'s civil—if not warm—relations with South Africa's white minority government. Almost two-thirds of those polled said they were "sympathetic" to the recent round of protests at South African government facilities in the U.S. And by a margin of 53% to 39%, Americans declared it "immoral for the U.S. to support a government such as South Africa that oppresses blacks." Yet 64% of those surveyed said the U.S. "must stay on good terms" with the white minority government because of South Africa's rich resources.



SURVEY OF 1,254 ADULTS CONDUCTED JAN. 24-27. OVERALL RESULTS SHOULD BE ACCURATE TO WITHIN THREE PERCENTAGE POINTS EITHER WAY
DATA: LOUIS HARRIS & ASSOCIATES INC. FOR BUSINESS WEEK

Senator PELL. I don't think the fact that they are taken by South African marketing firms has much weight. I have a genuine question as to what the majority of blacks do wish. But I think biased polls would not affect my judgment in that regard.

Thank you.

Mr. CROCKER. Senator, I appreciate the point that you are making. We will try to get you a complete statement of what polling data is available to us. I would maybe simply add at this point that all of us are aware of the importance of key leaders in South Africa who have a voice and who do speak out.

I was with Bishop Tutu in the Oval Office when he was with President Reagan. He asked for more American involvement. He did not ask for less.

Senator PELL. My time has expired. But I believe I am correct in saying that the main poll you are referring to was taken by a man called Schlemmer, which polled only a few urban areas and did not include unemployed students, and that the U.S. Embassy paid for the poll. I hope, if I am wrong in any of those, you would so inform me.

Thank you.

Mr. CROCKER. We will provide complete data on that, Senator.

[The information referred to follows:]

COMMENTS ON THE SCHLEMMER SURVEY

Professor Lawrence Schlemmer, a respected social scientist from the University of Natal in Durban, South Africa conducted a survey on "Black Attitudes Capitalism and Investment in South Africa" in 1984. The U.S. Government partially funded the survey but had no control over the questions asked, the methodology of the survey or its conclusions.

The areas from which the samples were drawn included both the largest industrial complex in South Africa and three out of the four major industrial regions in that country. Furthermore, a subsequent study among 1,000 blacks in eight of South Africa's largest cities added women and the unemployed to the population sample. Identical questions were asked and the results confirmed and reinforced the first conclusions. The two studies taken together are representative of the urban black working class in South Africa.

Additional information on research methods and polling techniques may be found on page 8 of the survey (attached).

CASS 26/84

BLACK ATTITUDES, CAPITALISM AND INVESTMENT IN SOUTH AFRICA

Lawrence Schlemmer

AUGUST 1984

Centre for Applied Social Sciences
University of Natal
King George V Avenue
DURBAN

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PREFACE AND ACKNOWLEDGEMENTS

The idea of this study arose because such great uncertainty seems to exist regarding the way in which political factors affect the black worker in South Africa. After discussions around this topic the United States Department of State agreed to finance a project to explore the relationships between political attitudes and industrial issues among blacks in South Africa.

Grateful acknowledgement must be made to the fieldwork teams of IMS (Pty) Ltd and CASS for the conducting of high quality fieldwork in a short space of time.

1. INTRODUCTION

Capitalism in South Africa has long been something like a Rorschach ink blot to commentators and analysts concerned with apartheid and change in this country. To some, namely those of a more radical persuasion, capitalism is intrinsically linked with the system of white rule. Many historical analyses in this camp have suggested that the interests of capital have had a formative and guiding interest in the emergence of the current dispensation for blacks in the country.

Other commentators in the radical camp, while not actually ascribing the system primarily to capitalism, have tended to lump the industrialist and the white politician together as part of a single white establishment concerned with the maintenance of privilege and power relative to the black majority.

Liberal analyses, on the other hand, have always tended to see the capitalist system as being wholly or partially at odds with the specific policies of racial separation and exclusive white control in South Africa. In their view capitalist interests may have represented a conservative force but were not specifically implicated in the emergence of the highly systematic separation of races and control of black lives and movement which is characteristic of apartheid.

Conservative social scientists and commentators, particularly these drawn from the circle of white nationalist intellectuals have placed very little emphasis on the role of capitalism. In this camp South Africa tends to be analysed as a conflict of nationalities and ethnic groupings with business interests playing a subsidiary role. Some of the very early analyses, however tended to depict capitalism as primarily antagonistic to white ethnic interests since they saw its interest in labour exploitation as so colour-blind as to constitute a threat to white Afrikaner interests. (For further details of the debate around capitalism, apartheid and change see Schlemmer and Webster (1978), Wright (1977), Nolutshungu, (1983), among many others).

Any complex system allows a variety of interpretations to be placed on its processes and hence the lack of unanimity in the debate about capitalism in South Africa is not surprising. What is also not surprising is that major aspects of this debate have been taken up by external groups involved in attempting to achieve change in South Africa. In these external lobbies one finds the full spectrum of positions in the ongoing debate over capitalism and apartheid.

Two strategic positions have emerged very clearly in the external action with regard to South Africa. One position may be termed the "disinvestment" position, which has as its basic premise that change would be achieved if the flow of external capital to South Africa could be reduced or cut off, and can include the view that trade sanctions would also be effective in undermining apartheid. Another position is that economic growth will contribute to the weakening of apartheid and particularly that external capitalists can implement reforms in their companies in South Africa and exercise other pressures which will encourage more rapid change. This is a "constructive engagement" position.

The disengagment position is informed from a number of sources and it can only be fully understood if one bears in mind that South African political refugees have been prominent in organisations, like the Anti-Apartheid Movement, which have promoted this position. After several trips abroad, conversations with various informed people in the U.S. and the U.K. and a reading of the relevant literature it would seem that the disinvestment programme (and for that matter the trade sanction movement) has emerged out of the following orientations, not all of which are held by each and every individual or group active in the disinvestment programme and which are not neccessarily the same as the public arguments used:

- a revolutionary orientation, in terms of which it can be argued that disinvestment will weaken the industrial system in South Africa, thereby weakening the tax-base and the resources of the state, paving the way for armed insurrection to overthrow a weakened system. Although it would not often be openly stated, this orientation can include the notion that disinvestment will deepen the poverty of blacks, thereby stimulating revolutionary action;

- a fundamentally anti-capitalist attitude, which easily becomes aligned with the notion that capitalism has structured the emergence of apartheid and continues to underpin it (this view is distinct from a more informed Marxist view since Marx himself argued that capitalist production had to reach an advanced stage of development before a proletariat would achieve the consciousness and resources to oppose capital);

- a milder anti-capitalist attitude which is fairly unstructured, and involves the farily vague notion that capitalists are selfish and profiteering and that any action against the system may produce some good;

- a strategic orientation, notably that disinvestment will reduce the flow of capital and much needed technology to South Africa, and as such frighten or coerce the South African Government into making concessions;

- an empirical orientation, which arises out of various analyses which suggest that wage and opportunity differentials between the races have been maintained despite economic growth (counter-evidence to this is available and is probably ignored as propaganda);

- an attitude of political solidarity with black South African spokesmen, most of whom appear to favour disinvestment (Study Commission on U.S. Policy toward Southern Africa, 1981: 425) or with third world interests;

- an attitude of diffuse hostility towards South Africa which inclines people to support anything which seems to be opposed to the whites in the country without much thought for the consequences.

Support for continued investment or at least for the continued operation of those companies already in South Africa seems to be derived from the following kinds of orientations:

- the view that capitalist interests are not synonymous with state policies and that economic growth produces needs which contradict some government policies, such as influx control, job reservation, unequal provision of education, etc;

- the view that if external companies were to continue operating in South Africa and were to deliberately implement labour reforms and social responsibility programmes then a positive effect could be exercised on the process of reform in South Africa;

- the view that rank-and-file blacks would suffer most through disinvestment and other policies aimed at weakening the South African economy;

- the view that disinvestment would not make much difference to the South African economy and that capital flows would be replaced from other sources;

- the view that disinvestment is in part a strategy aimed at violence since it proposes a weakening of the system so as to facilitate and encourage a successful insurrection in the country.

A number of these orientations make certain assumptions about the attitudes of black people in South Africa. Some viewpoints assume that black people support disinvestment or trade sanctions, and that blacks are so oppressed by capitalism that its destruction would be supported.

A variation on this is that blacks would be prepared to endure hardships if it were to be accompanied by the eventual destruction of apartheid. Another view is that South African blacks, whatever their individual situations, give support to organisations like the A.N.C. and will support the programmes that the A.N.C. espouses, like disinvestment.

A particular consideration which has emerged in recent times is that blacks, because of the continued co-existence of white rule and capitalism, have become estranged from all "ruling classes" in South Africa, and would be prepared to support anti-capitalist strategies on ideological grounds.

In the debate over capitalism, disinvestment and change in South Africa, however, rank-and-file black people are seldom if ever consulted. Nevertheless a great many people speak on their behalf. In the report of the Study Commission on U.S. Policy toward Southern Africa we read: "Finally, it is argued, black South Africans support disinvestment, and their wishes should be respected" (1981:25).

It would appear, then, that the debate about disinvestment and trade sanctions is, to say the least, very strongly informed by pre-conceived notions and orientations based on a variety of ideological positions. It is a debate which constantly runs the risk of developing a dynamic all of its own, quite independent of the desires of the mass of South Africa's peoples or of the more concrete possibilities of various types of pressures for reform being successful.

This analysis is a modest attempt to introduce one element of empirical reality into the debate. It offers the carefully researched opinions of those black people in South Africa who are most directly affected by the debate; namely black South African production workers. It is a preliminary report in the sense that it presents the major trends in the data, and more detailed analysis is currently in preparation. The conclusions it draws regarding the main issues of disinvestment and trade sanctions are firm, however, and will not be altered by subsequent analysis.

2. PREVIOUS RESEARCH

As already indicated very little previous empirical research in this area has been conducted. A number of studies of black worker attitudes in general have been published but few have a direct bearing on the major theme of this analysis.

One study, which was in the nature of a pilot investigation, was undertaken by this author in 1979, among a representative quota sample of 150 blacks in Durban. The sample included not only production workers but a range of other occupations, since it was so constructed as to give a cross-section of black opinion. The interviews were conducted personally by trained black fieldworkers. Only one item dealing directly with disinvestment was included, as follows (item slightly shortened):

> *"Some people say that overseas people must stop buying South African goods and stop sending money to build factories in South Africa so as to frighten the South African government into getting rid of apartheid. Other say that they should continue because it makes jobs for all people in South Africa".*

The results showed that only some 20 percent favoured disinvestment or boycotts, and fully three quarters wanted to see continued trading and investment. Males were more radical than women with 26 percent of men taking a pro-sanctions line. The most pro-boycott group was the supporters of the black consciousness movements at the time (AZAPO and AZASO) among whom 33 percent supported boycotts or disinvestment (Schlemmer, 1983).

A problem with this investigation was that it was conducted only in the Durban area. A majority of the blacks interviewed, as was only to be expected in Natal, were supporters of Chief Buthelezi and Inkatha, which for long has adopted a pro-investment and constructive engagement position. Even though the results showed a clear trend, the same trend could not be assumed to exist in the major centres of employment in which externally-owned companies operate, namely the Witwatersrand and the Eastern Cape.

Very recently a major study among black employees was published by Professor Martin Nasser of the University of South Africa School of Business Leadership (Nasser 1984). The study covered 78 companies distributed widely throughout South Africa. The themes covered by the investigation did not include disinvestment, but the results were interpreted in the media as reflecting on black support for capitalism in South Africa. Large majorities of the black respondents gave answers which suggested so strong a rejection of the capitalist system that one might easily reach the conclusion that the employees might have also supported a pro-disinvestment position. Results in the study being reported on here, however, show that such an extension of Nasser's conclusions would be unwarranted. Furthermore the fieldwork for the Nasser study appears to have been conducted by means of a self-completion questionnaires, which would have favoured the better-educated, more radical employee opinion.

Up to now, therefore,no conclusive evidence has existed as to the orientations of the mass of rank-and-file black production workers regarding disinvestment and trade boycotts. The evidence which follows fills a gap in the information relevant to the ongoing debate.

3. THE RESEARCH

In the interests of the greatest possible validity fieldwork was carried out by means of lengthy face to face interviews conducted by highly trained and experienced black interviewers in the language of choice of the respondent. In order to win the confidence of people interviewed a good deal of time was devoted to establishing sound rapport, and interviews took an average of 110 minutes each. Although contact with respondents was made in industrial all the interviewing took place in private, most of it in the homes of respondents. No interviews were conducted on factory premises. The interview schedule used in the fieldwork is given in Appendix 1.

Since the aim was to generalise for the people most intimately involved in the capitalist system and particularly in the sector in which most multi-national companies operate - the manufacturing sector - the sample was restricted to black male production workers. No list of people in this specific category of work is available as a sampling frame and therefore a normal random sample could not be drawn. The basis of the sampling method was the so called quota sample. In such a sample the selection of respondents is controlled by certain criteria in order to achieve representativeness. The detailed procedure was as follows.

Industrial areas in the following urban complexes were defined: Johannesburg, Pretoria, the East Rand, the West Rand, the Vaal Triangle area, Port Elizabeth, Durban and Pinetown. Contact points were selected randomly across the industrial areas. Within each selected area interviewers sought respondents who qualified as black production workers according to age criteria. In all a total of 551 interviews was conducted, distributed as follows:

Johannesburg	-	146
Durban Pinetown	-	100
Port Elizabeth	-	100
East Rand	-	68
West Rand	-	59
Pretoria	-	49
Vaal Triangle	-	29

There was deliberate over-representation of the Port Elizabeth and Durban areas so as to allow adequate assessments to be made of regional variation in attitudes. If the results had been significantly different according to area it would have been necessary to weigh the results in order to rectify for over-representation. As it turned out, however, the differences according to area were generally not significant and the results could be combined. However, the patterns are always also specified separately by area so that any patterns of difference which do exist between regions are not obscured or hidden. The age and occupational characteristics of the sample are as follows:

Age		%
16-24 yrs	-	25
25-34 yrs	-	35
35-49 yrs	-	27
50+ yrs	-	14

Occupation		%
Higher Semi-skilled and skilled	-	35
Lower Semi-skilled and unskilled	-	65

In the report which follows the data for the subsample in the Durban-Pinetown region is provided only in summary form and is not included in presentations of combined results since the major interest as far as this report is concerned lies in the results for those areas in which most multi-national and U.S. companies are to be found, namely the Pretoria-Witwatersrand-Vereeniging area and the Port Elizabeth area, where most of the multi-national motor companies are situated. Thus the Durban results are provided by way of comparison, and the interest as regards these results lies mainly in the fact that the Inkatha position, which is dominant in Natal, openly favours a constructive engagement strategy. Hence Durban results appear as a separate comparison and as already indicated, are not included in the category of "overall" results. (Further details of the sample (excluding Durban) are provided in Appendix II.) Finally it must be emphasised once again that this analysis does not attempt to generalise for all black factory workers but rather for black employees in the major industrial centres in which multi-national investment is concentrated.

4. THE FINDINGS

A wide range of issues relating to capitalism and change in South Africa was built into the interview schedule. It was considered essential to assess the specific attitudes relating to external investment in the light of more general attitudes to work, to change, to political strategy and to private employers. The analysis commences with a review of the results concerning general life circumstances.

4.1 LIFE SATISFACTION

Attitudes to specific concerns are frequently influenced by general life-satisfaction or grievances. In the present study a method was used to measure life satisfaction which has been frequently used by the Centre for Applied Social Sciences in the past and by Hanf *et al* in the major Arnold Bergstraesser Institute study of the prospects for change in South Africa. (Hanf *et al*, 1978, 1981). This involved showing respondents a picture of five faces with differenct expressions, each accompanied by a description of feelings about "life in general" which were carefully read out to respondents (see Appendix 1.) The results were as follows:

TABLE 1 FEELINGS ABOUT LIFE IN SOUTH AFRICA

	Overall * (Tvl and P.E.)	Port Elizabeth
Very happy	3%	2%
Just happy	5	8
Happy yet not happy	26	21
Unhappy	16	17
Angry and impatient	50	52

Therefore, a majority of over 6 out of 10 blue-collar production workers feel either unhappy or angry about life. In the detailed cross tabulations of results certain subgroups emerged as markedly less or more unhappy than the average. These are listed below with the proportions for "unhappy" and "angry" combined:

*Tvl = Transvaal, P.E. = Port Elizabeth

PROPORTION UNHAPPY AND ANGRY

Overall	66%
35 to 49 Years	74
West Rand	74
Trade Union members	76
Std 1 to 4 Education	58

The absolute validity of a single item index of life satisfaction such as this can be debated, but rather more significance can be attached to standard comparisons over time, using the same interviewing team.

In a previous study among black males using exactly the same item among a sample of black male migrant contract workers conducted in 1982, the proportion indicating anger or unhappiness was 58 percent (n 480 nationwide) (Møller and Schlemmer, 1982, 1985).

Other comparative percentages drawn from the Arnold Bergstraesser Institute study and a general investigation among a sample on the Witwatersrand are the following, both once again reflecting "anger" and "unhappiness" combined: 1977 (Bergstraesser Institute study) 39%, 1981 (Centre for Applied Social Sciences study) 56% (Schlemmer, 1983).

From these comparisons it would seem that the male production workers in the present study are at least as discontent with life and probably more so than other categories of blacks in recent years on the Witwatersrand.

Another probe on general perceptions of life in the present study was as follows: *"Think of the present time in South Africa - everything that is happening. Is life for you improving, staying the same or getting worse?*

Results are as follows:

TABLE 2 IMPROVEMENT OR DETERIORATION IN LIFE CHANCES:

Overall result and subgroups substantially more or less positive about life chances

		Improving	Staying the same	Getting worse
Overall	%	16	24	60
Vaal Triangle	%	10	17	72
Pretoria	%	14	16	69
16 to 24 Yrs	%	15	29	56
East Rand	%	20	29	50
Presently employed in U.S.Company (n55)	%	16	31	53

Here again we find an indication of majority dissatisfaction with life chances, with some variation by age and area of employment. It is interesting that those employed in U.S. companies are slightly less discontented than the group as a whole.

4.2 FACTORS IN LIFE SATISFACTION

Given the evidence of majority dissatisfaction in the sample, it is of interest to consider the factors producing both dissatisfaction and satisfaction with life. Our item was as follows:

> *"In recent years, what things have improved in the lives of people like you?"*
> *"In recent years what things have become worse in the lives of people like you?"*

The question was open-ended, with spontaneous answers elicited. Respondents were probed to answer fully and to give more than one answer, hence percentages exceed 100 in Table 3 below which presents the results.

TABLE 3 SPECIFIC IMPROVEMENTS AND DETERIORATION IN LIFE CHANCES, SPONTANEOUSLY MENTIONED

IMPROVEMENTS		DETERIORATION	
	%		%
Home ownership/housing	22	Prices/GST/COL	55
Urban amenities, facilities, services	16	Political conditions/ policies	50
Business opportunities	15	Wages	48
Less discrimination	12	Unemployment/Job shortage	42
Education and training	11	Housing shortage	30
More/better jobs	11	Tax/tax deductions	26
Improved standard of living/wages	8	Social pathologies	26
Welfare services	7	Rent increases	9
Transport	6	Education	9
More political rights	5	Civil unrest/sabotage	8
(Others less than 5% mention)		(Others less than 5% mention)	
No improvements	44	Nothing worse	2

As far as variations in these results according to subgroup are concerned, it is notable that the following patterns appear; only very salient and significant patterns and differences are mentioned:

	Sense of Deterioration	
	Higher	Lower
Prices/Cost of living	50 yrs +	16 - 24 yrs
	West Rand	East Rand
	Vaal Triangle	U.S. Co's
		Other Foreign Co's
	Std 1-4 Educ	High School Educ
Political Circumstances	Soweto	Vaal Triangle
	West Rand	less than Std. 4
	Trade U member	
Wages	Unskilled	Skilled
	Vaal Triangle	Port Elizabeth
	Pretoria	U.S. Co. employees

Many of the patterns in these results are as one would expect. Some are less expected. For the first time in many years of research the author notes that political grievances are high on the agenda of ordinary production workers and this represents a change over time. It is also quite interesting that people working in U.S. and foreign-owned companies have a significantly lower sense of grievances than others.

4.3 POLITICAL CONSCIOUSNESS

Given the very high levels of discontent and aggrievedness projected in answers to the items in the previous section one would expect to see evidence of a militant political consciousness among the black workers in the sample. Various indexes of political consciousness were included.

The most obvious item was one on political group allegiance, phrased as follows:

> *"Here is a list of organisations. Which one of these organisations do people like yourself support most?/ Which other one do people like you support?"*

The results appear in Table 4 - note here once again that the overall findings exclude the Durban sample and hence under-represent Inkatha.

TABLE 4 SUPPORT FOR POLITICAL ORGANISATIONS:

1st choice, subsidary choice and both choices Combined

	1st Choice %	2nd Choice %	Combined Choice %
ANC/Nelson Mandela	27	15	42
United Democratic Front	11	11	22
AZASO	1	3	4
(Combined "Progressive" Choice)	(39)		
AZAPO	5	8	14
INKATHA/Buthelezi	14	8	22
Sofasonke	15	8	23
Other-diverse	5	3	8
None	22	NA	NA

Coming closer to a definition of the extent of political militancy in the sample, one item used was indirect inasmuch as it relates to Namibia, hence offering respondents an opportunity of voicing action preferences within the relative safety of a displaced context as it were:

> *"You have heard of Namibia .... a country with many more black people than white people. Whites still rule the country under the protection of the South African Government. What do you think black people should do in Namibia at the present time?"*

Spontaneous answers were classified for the analysis, which appears in Table 5.

TABLE 5. BLACK ACTION SUGGESTED FOR NAMIBIA - OVERALL RESULTS AND SUBSTANTIAL VARIATIONS BETWEEN GROUPS IN REGARD TO ARMED INSURRECTION (Percentages across: Sum to more than 100% since more than one answer could be given)

		Inactivity Passivity	Peaceful Protest/ Negotiation Organisation	Labour, Commerical Action	Armed Confrontation
Overall Tvl/P.E.	%	36	67	25	56
UPWARD VARIATION					
16 to 24 Yrs	%				66
Higher Socio Econ Status	%				68
High School	%			31	65
Pretoria	%			43	62
Soweto	%			32	66

These results suggest that thoughts of armed confrontation are almost as prominent in the minds of the respondents as peaceful attempts at encouraging change. It is particularly the youth and better educated people, and people living in Soweto and Pretoria who are more militantly inclined. Curiously, results not presented in the table above show that those respondents working for U.S. companies in South Africa are significantly less militantly inclined than the sample in general.

An item also aimed at testing general militancy and willingness to take political risks was as follows: *"It is best for black people to be careful in politics and not get into trouble and lose what they have,"* - those who disagreed with the item were taken as displaying a militant consciousness.

The proportions who disagreed are listed below, in the form of the overall sample as well as subgroups displaying a substantially greater or lesser degree of political risk orientation:

INDICATION OF WILLINGNESS TO TAKE POLITICAL RISKS

Overall Tvl./P.E.	61%
(Buthelezi Commission research 1982. Equivalent Group, n228)	(45)
Soweto	68
Pretoria	71
Trade Union Member	72
Middle Education - Std. 5/6	67
50 Yrs +	51
East Rand	50
Stds. 1-4	50

The comparison above with the sample from the Buthelezi Commission research in 1982 is particularly interesting because it suggests a growth of militancy between samples in time which were interviewed in exactly the same way and in a similar context. Generally the current results show high levels of militant consciousness particularly concentrated in Pretoria, Soweto and among black trade unionists. The more middle-class people who appeared most radical in the previous item drop away in the responses to the item above, perhaps suggesting that their militancy may not be as deep-seated as many think.

Finally in this range of issues the question was posed: *"If the ANC were to come in secretly asking people to help it, which of the following would happen in your area? - most would help it / not most but a large number / only a few"*. The proportions indicating that "most" would help it are presented below, on the assumption that it is a projection of private political feelings:

PERCEPTION THAT MOST PEOPLE WOULD HELP ANC

Overall Tvl./P.E.	42%
(Durban sample 1981,n106)	(25)
Pretoria	61
Trade Union Members	54
Std. 5/6	47

The pattern of responses suggest that there is very substantial political militancy lurking in the black worker groups and the between-group variations are very similar to those reflected in response to the previous item.

Generally the different patterns of variation which appear between the "Namibia" projection and the last two items of more immediate relevance to the local situation suggest that the better-educated people may like to sound more militant in regard to issues at a distance but that it is a group of middle education, involved in the trade union movement and particularly in Pretoria perhaps which has the most telling and consistent profile of attitudinal militancy. Even this, however, does not allow one to assume that they would behave in the way their attitudes incline them.

5. ATTITUDES TO CAPITALISM

5.1 EMPLOYERS IN GENERAL

Having established in the previous section that the cross section of black production workers dealt with in this report has a very radical orientation in a general political sense, linked with pervasive and serious discontentment over life chances, one would expect to find attitudes quite sharply critical of the typical employment situation of black workers. This is indeed the case.

The following composite item was presented: *"Here are a number of things which black people have been heard to say about factories ... (etc). Tell me which you agree with and which you disagree with?"* What followed was a balanced series of statements specified in the results presented in Table 6.

This composite index of attitudes to typical workplaces reveals that the image of employers is dominantly negative, quantified in the general "index of criticism" in Table 6 as 71 percent overall, based on seven positive and six negative descriptions of typical employers of blacks. It is noteworthy that the most critical are trade union members and workers who conceive of using labour power for political protest. The more highly skilled workers are less critical as one would expect. These who work in U.S. companies are least critical, (but not very substantially less critical) in part but not only because they tend to be better-educated (51% of the 55 people employed in U.S. companies had high school education versus 36% in S.A. companies). The results, however, cannot be taken to be a reflection of U.S. companies because the question specified employers in general. Their answers were probably in part affected by their present employment, however.

TABLE 6. IMAGE PROFILE OF TYPICAL EMPLOYERS AS ENDORSED BY BLACK PRODUCTION WORKERS

	Percentage Agreement				
	Overall	T.U.	U.S. Co.	Labour Radicals*	Higher Skills**
	%	%	%	%	%
They often try to help blacks by appealing to government	27	22	36	23	29
They help blacks by providing work	57	60	66	55	61
They pay as much to blacks as they can without losing profits	53	60	73	46	57
They only dismiss blacks for serious faults after a fair investigation	33	24	27	31	37
They try to help blacks with housing, education and loans	29	32	55	24	34
They try to appoint helpful and sympathetic supervisors over blacks	26	21	36	23	27
They train blacks in the factories for better jobs and promotion	43	48	58	41	44
They allow their supervisors to treat blacks badly	59	63	51	58	53
They get as much work from blacks for as little pay as possible	93	98	96	94	93
They do not allow blacks to make progress or show ability in work	73	76	67	75	72
They favour Indians or Coloured over black people	96	98	96	97	95
They work with and support the government	91	95	100	90	95
They dismiss black workers without giving them a chance to state their case	77	81	71	78	73
Index of Criticism: Average of % agreement on negative items and % agreement - 100 on positive items	71	73	64	73	69

* Labour radicals - people willing to use labour power for political ends

** Higher skilled = High school education.

More generally, the results show that private employers are very definitely seen to be part of a white establishment which includes the government. What is valued most is job opportunity, pay and training but employers are seen very negatively on other issues.

5.2 ATTITUDES AROUND THE ISSUE LABOUR UNREST

In the light of the highly negative attitudes to employers revealed in the last section it is necessary to explore the structuring of workers thinking around the issue of labour unrest. One of the items read: "*Which of the following things will cause black workers to strike or create disturbances in future years?*" A list of structured alternatives was presented to respondents. Before this item in the interview, an open ended question requiring spontaneous answers was also asked: "*In 1973 there were big strikes where many thousands of black workers went on strike together. What could cause this to happen again?*" The results of both types of probe are given in table 7.

The finding reflected in the two columns in Table 7 are not directly comparable with each other since they were obtained by different techniques and one relates to a mass strike while the other to a normal strike. However, an interpretation of the patterns allows one to assess the relative salience of different worker concerns around the topic of labour unrest.

As one would expect, wages, as the primary reason for working, have the highest salience in both contexts. The quality of supervision and communication follows wages in importance, with unfair dismissals close behind as a specific issue. Race discrimination in industry is another important issue. Obviously, other work-related grievances, including pay deductions, are also highly salient.

TABLE 7 FACTORS CONSIDERED TO BE LIKELY TO LEAD TO STRIKES OR MASS STRIKES

Factors identified	Spontaneous answers re Mass strike	Normal strike: Endorsement of structured alternatives
	%	%
Wage Grievances	91	95
Unfair dismissals	18	94
Supervision	27	94
Race discrimination	11	91
Pass Laws/Influx Control	10	75
Pension deductions	1	50
Tax	4	61
Other grievances/deductions	30	71
Political strike	10	61
Rents/housing shortage	8	66
Worker - Management Communication	37	Not included
Transport	7	
Prices, Inflation, C.O.L.	10	" "
To support Union call for strikes	3	" "
To support other workers on strike	2	" "
Other		" "

The findings reflected in the two columns in table 7 are not directly comparable with each other since they were obtained by different techniques and one relates to a *mass* strike while the other to a normal strike. However, an interpretation of the patterns allows one to assess the relative salience of different worker concerns around the topic of labour unrest.

As one would expect, wages, as the primary reason for working, have the highest salience in both contexts. The quality of supervision and communication follows wages in importance, with unfair dismissals close behind as a specific issue. Race discrimination in industry is another important issue. Obviously, other work-related grievances, including pay deductions, are also highly salient.

It is the author's contention that despite a great deal of progress by management in understanding labour relations and the black-white interface, the salience of supervision communication and race discrimination in industry are still hopelessly under-rated as factors inclining black workers towards strike-proneness.

The results in the table are also interesting in that they reflect a somewhat lower salience of political issues, trade union solidarity and community issues in the context of strikes and worker action. Trade and worker solidarity issues are particularly low in the consciousness of black workers in South Africa at the present time (although they are perhaps unlikely to remain so).

regard to the issue of supervision, one of the tendencies currently is for employers to replace white supervisors with the next groups in the traditional South African racial hierarchy - Coloureds or Indians. The respondents were given the following statement "*Black workers are happy to work under Coloured and Indian supervisors - do you agree or disagree*". No fewer than 92 percent disagreed with the statement, and this pattern was consistent across all categories of workers. This bears out the fact that generally not sufficient thought and planning is being given to the issue of Africanisation of supervisory positions.

5.3 TRADE UNIONS, LABOUR AND POLITICS

We have noted in the previous section that the black workers in the sample tend to separate political issues from the issue of strikes and labour disturbances. The topic of politics in labour and trade union activity was also approached more directly. One item was in the form of a conversation between two people. "*One man Joseph says : Black people have many political problems but they must not let these problems disturb their work in the factories. Another man Paul : We will never solve our political problems until we start* *using our power as workers to demonstrate against the problems. Which man would you agree with?"*

No less than 72 percent of the workers supported the position that political problems could only be solved by worker action. This proposition rises to 79 percent among trade union members and 81 percent among those with middle levels and education (Std. 5/6) who were identified earlier as the most seriously radical workers. The proportion drops to 64 per cent among those employed in U.S Companies.

This item reveals a strong concept of the potential of worker power in the political field, but it does not tell us whether or not the respondents would actually wish to see labour "disturbed" as a political weapon. We therefore have to consider other items as well.

One probe concerned the role of trade Unions: "What can trade unions do for black people in South Africa?" Table 8 gives the patterns of spontaneous responses.

TABLE 8 PERCEIVED ROLES OF TRADE UNIONS FOR BLACKS IN SOUTH AFRICA

Role of Unions	%
Improve wages	54
Protect against dismissals/disciplinary action	26
Improve management worker communication	21
Foster black job advancement	18
Improve other working conditions (diverse)	18
Improve race relations and work	13
Fight unemployment	13
Improve housing/transport/community facilities	9
Improve supervision	6
Fight influx control	3
Work for political rights	3
Other mention	1

We note from these replies that political issues and community concerns outside the workplace are given relatively low ranks in the assessments of what trade unions can do. Members of trade union give the same patterns of replies. It is interesting that even those people who in response to the previous probe endorsed the view that workers action could bring political changes did not envisage a political role for trade unions. It seems quite clear that Unions are perceived and appreciated within an industrial and not a political context, even by workers who are political radicals.

A more general view of the salience of trade Unions is obtained from an item : *"Which will be most valuable for an African like you?"* - a series of "resources" was read out and respondents were asked to select one as most important, as appears in table 9.

TABLE 9. RESOURCES OF GREATEST VALUE TO BLACKS

	%
Skills training for job advancement	43
The Franchise	19
A better education	16
Strong black leadership	10
Strong trade union	9
Strong political organisation	3

The results show how low in the list of general resources of value trade unions are. Even trade union members give trade unions a low ranking (12%) as to those workers who believe that labour action can bring political gains(8%).

Hence it seems quite clear that trade Unions are conceived as having an industrial and not a political role. This still leaves us with the question of whether or not black workers would be prepared to use labour power in a political context if they were mobilised by some other agency. Two items are relevant here. Both items give the context of a "*respected leader of black people wishing to show the strength of black people to the government* ..." and asking black workers to

a) "*...stay away from work for two weeks*" and
b) " *... not to buy from certain shops or certain goods...*"

The responses appear in Table 10.

TABLE 10. WILLINGNESS TO SUPPORT POLITICAL DEMONSTRATION STRIKES OR TRADE BOYCOTTS

	%
Willingness to support 2 weeks strike	36
Willingness to support shorter strike	19
Unwilling	45
Support for trade Boycott	32
Support for a few days	22
Unwilling	41

These items give a more suggestive view of the likelihood of politically inspired worker action. In both the political strike and the political boycott attitudes of full commitment seem to be present among just over one-third of the workers sampled.

The proportions fully oriented to a political strike are slightly higher among the trade union members and worker-radicals referred to earlier but the proportions are still short of 50 percent. Otherwise there is remarkable evenness in the results across groups, with only the more affluent workers and workers in the Vaal Triangle showing a greater willingness to support the actions proposed. The same applied to the issue of a trade boycott.

In general then, one may sum up by saying that despite high levels of political discontent and a very poor image of the typical industrial employer group, the workers interviewed separate their labour and political agendas to a remarkable degree. Trade Unions are not seen as political instruments, and while there is a cognitive awareness of the political potential in labour action, no more than just over one-third of workers seem to have attitudes which would imply a full commitment to the use of labour action in a political context.

6. WORKER IDEOLOGY

The previous sections have shown that despite massive frustrations and discontent, the rank-and-file black factory worker is not orientated towards the destruction of capitalism using his labour power. The economic ideologies of the respondents are explained in more detail in the following section.

6.1 CAPITALISM OR SOCIALISM

The findings of Nasser (1984) as well as results already discussed in this report show clearly that one cannot expect the average black factory worker to evaluate the capitalist system in South Africa without being influenced by the broader racial issues in the country. Capitalists in South Africa, particularly the larger ones, are virtually all white and factory workers are dominantly black. Therefore one would never know to what extent the evaluation concerned capitalism as such or to what extent it reflects a rejection of the racial system which capitalism, avoidably or unavoidably, has accommodated.

This distorting factor cannot be completely eliminated, but in an attempt to obtain replies in which the effects of the South African racial structure are at least minimised, the issue of capitalism versus socialism was explored in a non-South African context: *"Think of a country ruled by blacks like Zambia or Kenya. What is best in such a country?"* Alternatives were then read out carefully to respondents, and the results appear in Table 11 below.

TABLE 11

PREFERRED FORM OF ECONOMIC ORGANISATION IN A BLACK RULED COUNTRY

	Overall - Tvl and P.E.	US Co. employees	TU members	High School education
	%	%	%	%
Factories and shops owned by black government	18	16	13	15
Factories and shops owned by black businessmen	23	7	17	19
Factories and shops owned by anyone who can be successful in business, not only black people	60	78	71	66

In addition to the data reported in Table 11, the following listing gives a comparative overview of the proportions in different subgroups of the sample supporting the free enterprise system.

Proportions in subsamples endorsing the view that factories and shops should be owned privately by any successful individual

	%
Overall	60
25 - 34 yrs of age	64
West Rand	73
Port Elizabeth	70
Employed in US Co.	78
Employed in other overseas Co.	67
Previously employed in US Co	81
High School Education	66
TU member	71
16 to 24 yrs	54
East Rand	54
Vaal Triangle	24
Pretoria	41
S.A. Company	55
Unskilled	44

These results show some remarkable variations, namely that trade union members are more accepting of the free enterprise system than average, that the more politicised and more "radical" workers with high school education are also committed to free enterprise and that those workers with experience of working in multi-national corporations, particularly US companies, are very substantially more likely to be in favour of the private capitalist system.

The groups which are least likely to support capitalism are those who work in areas or companies in which racial discrimination is most severe, such as in Pretoria or the Vaal Triangle area, and among those who are least skilled, and who therefore see fewest benefits from the system. The younger employees (16 to 24) are also marginally less favourably inclined to free enterprise. An inspection of intercorrelations not presented shows that this is not due to any accompanying factors like low skill levels, etc. It seems that there is a tendency for the school-leaver or the newer employee to be less favourably disposed to the system.

More generally, however, the results seem to suggest quite clearly that the free enterprise system is dominantly the preferred alternative. This is despite the very persuasive option of businesses owned by a black government, and the possibly equally attractive alternative of businesses being limited to black ownership. The results appear to be compelling, and any notion that they may be due to fear or caution is dispelled by earlier findings which showed that workers feel completely free to disclose their support for banned organisations like the ANC.

6.2 INDUSTRY AND RACE

The workers may be accommodating of capitalism but they are by no means inclined to accept the racial capitalism which is still characteristic of much of South African industry. The data on the image of South African employers presented earlier in this report bear witness to this. Even clearer evidence comes from two items included in the questionnaire on racial equality-inequality in industry, the results of which appear in Table 12.

TABLE 12

ATTITUDES TO RACIAL EQUALITY IN INDUSTRY VERSUS ABSOLUTE GAINS

	Overall TVL and P.E.
	%
"What would people like you prefer?"	
"All races growing more prosperous quite slowly but with whites and blacks becoming more equal"	92
"All races growing more prosperous quickly but with whites staying as far ahead of blacks as at present"	8
"What would you prefer?"	
"Blacks and whites getting the same salaries for the same jobs but everyone getting very small increases"	90
"Black and white salaries staying unequal for some years but everyone being given quite large regular increases"	9

These results are so overwhelmingly in favour of equality, despite the "tradeoff" of lower absolute gains built into the items only; that there can be no doubt that a very definite consciousness about racial equality exists among black workers. (See also Buthelezi Commission, 1982, in which similar questions were asked.) There was such unanimity regarding these issues in the sample that no significant differences between subgroups in the sample exist.

This does not necessarily mean that the expectations are that the respondents expect the hierarchy as it exists at the moment to be overturned immediately. The desire, rather, is for equality of opportunity and treatment. Some idea of the balance in the views of the respondents can be obtained from the results to an item which read as follows: *"Whites are strict but they are honest and fair —- blacks would not be happier under their own people"*. The percentage agreement with the statement was as follows:

Acceptance of whites in authority

	%
Overall	45
50 years and older	54
Vaal Triangle	35
Pretoria	29
Unskilled	38
Trade Union members	41

The pattern of results shows that it is among the workers in the areas of greatest traditionalism in race relations that whites in authority are least accepted —— Pretoria and the Vaal Triangle. Unskilled workers, who have the greatest difficulty in communicating with whites are also less inclined to accept whites in authority. In 1981 the percentage agreement to an identical question among black workers in the research for the Buthelezi Commission (Witwatersrand sample, N 228) was 35 percent, a full 10 percent below the current finding. Therefore it would seem that no trend towards an increasing rejection of white authority exists.

7. OVERSEAS INVESTMENT IN AND TRADE WITH SOUTH AFRICA

This topic is the focal point of the study. Up to now we have seen results pointing to a very poor image of industrial management held by black workers in South Africa but also to an acceptance of capitalism and to a general rejection of the use of organised labour in the political struggle, despite high levels of politicisation and serious political grievances. There is, thus, a mixture of frustration and pragmatism in the consciousness of black workers which does not contain any clear indications of what their attitudes to disinvestment and trade boycotts might be.

Disinvestment and trade boycotts of South Africa are complex issues which are not likely to form part of popular debate among black workers. Therefore these issues had to be approached with great care in the interviews. Fairly detailed explanations of the issues in clear and simple language were given before questions were posed. The same themes were also addressed in several different questions in order to make the results as valid as possible. The results are given in the sequence of Tables which follow (Tables 13 to 17). Each Table includes the exact phrasing of the explanation and the questions asked. In each question alternative answers were rotated in presentation in order to eliminate recall bias.

TABLE 13

PERCEPTIONS OF THE INTERESTS PROMOTED BY FOREIGN INVESTMENT IN SOUTH AFRICA

Item *"Which one of the following is true. When American companies build factories in South Africa, who do they help most?"*

	Overall Sample	Employed in US Company
	%	%
Help the African people to progress	38	26
Help the whites	16	31
Help the South African Government	46	44
	n = 451	n = 55

These results give an inconclusive result. While in the sample as a whole over one-third see blacks as the main beneficiaries of US investment, this, oddly enough, drops to just over 25 percent among those employed in US companies. It is probable, however, that even though most respondents saw whites or the government as the main beneficiaries, they did not necessarily see blacks as not gaining at all from external investment. This is clarified in Table 14 below.

TABLE 14

SUPPORT FOR CONSTRUCTIVE ENGAGEMENT VERSUS DISINVESTMENT AND TRADE BOYCOTTS

Item *"One man, Samuel says: "Overseas people and banks and companies must stop buying South African goods and stop sending money to build factories in South Africa so as to frighten the South African government into getting rid of Apartheid."*

"Another man Joseph says: "People and banks and companies overseas should continue to buy South African goods and send money to build factories because it makes jobs for all people in South Africa."

Which man would you agree with, Samuel or Joseph?

	Overall Sample %	Employed in US Company %
Support for Samuel (Disinvestment/ Boycott)	25	29
Support for Joseph (Constructive Engagement)	75	71

Although very slightly more employees in US companies support the disengagement position than among black workers in general, very clear majorities of employees in both the overall sample and the subsample support engagement. Variations in the degree of support for disinvestment are listed below.

Support for Disinvestment/Trade sanctions

	%
Overall	25
16 - 24 yrs	33
Worker radicals (support for use of labour in political action)	29
35 yrs and older	20
under Std. 4 education	20

There is thus very little variation in the results. Trade union members, for example are no more likely to support disinvestment than other workers. The higher support for disinvestment among employees in US companies is in large measure due to the fact that these companies have a higher proportion of 16 - 24 year old people in service (33% US Co's 24% overall) and also have fewer people with lower educational qualifications.

It should be noted that the item reported on in Table 14 has a built-in incentive to support the disinvestment position, namely the phrase *"....frighten the South African government into getting rid of Apartheid...."* Given this deliberate suggestion in the question, it is remarkable that only one-quarter of the respondents support disinvestment.

At another point in the interview the same theme was explored, as indicated in Table 15.

The results overall are remarkably similar to those in Table 14. It is the workers from Pretoria, the nerve centre of apartheid, who are most inclined to support disinvestment. The reasons for such support make it clear that even among the disinvestment group, one important position taken is aimed at improving wages and conditions rather than being aimed at a complete ending to foreign investment. The reasons in favour of disinvestment also emphasise political factors rather than intentions to harm management, while the reasons against it feature fears of loss of employment and the consequent harm to blacks as the most prominent factors.

TABLE 15

SUPPORT FOR OR OPPOSITION TO EXTERNAL INVESTMENT

"There are groups of people in America and England who try to encourage banks and organisations not to invest money in South Africa - not to put their money in factories which are in South Africa. Do you think this is a good or a bad thing?"

	Overall Sample	Employees in US Companies
	%	%
Good thing (Disinvestment)	26	24
Bad thing (Engagement)	74	76
"Why do you feel this way?"		
Good (Spontaneous)	(Base 100%*)	(Base 100%*)
Warn South African Government/ Frighten South African Government	30	62
Weaken Government/whites	18	23
Weaken managers/employers/Capitalists	9	15
Encourage better wages/conditions	39	54
Encourage political rights for blacks	28	46
Other	4	-
"Why do you feel this way?"		
Bad (Spontaneous)	*	*
Fewer jobs	54	50
South Africa becomes poorer	19	26
Harms blacks	41	48
Makes no difference/no effect	5	5
Harms South Africa/Government	12	19
Other	2	-

* Answers exceed 100% because more than one answer was given

Variations in support for disinvestment as measured in the results in Table 15 show the following pattern.

Support for Disinvestment	%
Overall	26
Pretoria	35
Employees at non-US multinationals	19
50+ years	16
East Rand	15

A very similar question was asked but one relating to trade sanctions rather than disinvestment (see Q.20 in the interview schedule). The results obtained are so similar to those given in Table 15 that it is unnecessary to repeat the full table. Some 26 percent supported trade sanctions against South Africa (24 percent among employees in US companies) while 74 percent felt that trade sanctions were bad. Once again the effects of sanctions on employment opportunity and therefore on black welfare were prominent among the reasons given.

Finally, among the range of questions on disinvestment, a third type of question was posed, the details of which plus the results appear in Table 16.

TABLE 16

SUPPORT FOR DISINVESTMENT, CONTINUED INVESTMENT OR CODES OF CONDUCT FOR COMPANIES

"Which of the following would you prefer to see happen —— What is best?"

(The alternatives were read twice, reversing order on second reading.)

	Overall sample	Employees in US Companies
	%	%
"American companies should build as many factories in South Africa as they can, making as many jobs for blacks as they can."	59	60
"American companies should only run factories in South Africa if they can pay blacks high wages, give good pensions and help with housing, even if they make fewer jobs."	32	33
"American companies should not run factories in South Africa because they make the government of South Africa stronger."	9	7

Among trade union members the support for complete withdrawal rises very slightly to 13 percent, among people in Soweto it is 14 percent and in Port Elizabeth it is 12 percent. Other variations between sub-samples are even less significant. Thus here again there is consensus in the sample.

These results are noteworthy. Even when the option of codes of conduct including higher wages and other benefits is built into the probe, as is the case in Table 16, the majority of respondents still hold firmly to an opposition to anything which might remove US investment from South Africa. Furthermore, when the option of codes of conduct is presented to respondents, the proportion in favour of disinvestment drops from the 24 - 25 percent recorded in Tables 14 and 15 to a mere 9 to 12 percent. Hence one must conclude that the promotion of total disinvestment by US companies operating in South Africa has virtually no support among black workers in the very representative areas surveyed.

The reasons given in Table 15 indicate some of the major factors inclining workers to support continued investment. There are other factors as well, one of which is the image of US companies in South Africa. Results on this are given in Table 17.

The results in Table 17 are remarkably favourable for US companies as far as employment image is concerned. The slightly but consistently less flattering image held by the actual employees of US companies shows that the image outstrips the performance to some extent. Even among the US company employees, however, the employment image is consistently much more favourable than unfavourable.

Given the outstanding reputation that US companies appear to enjoy among black production workers it is not surprising that so little support for disinvestment exists. The fact that the employees in the US companies themselves share almost as favourable an image would strongly suggest that the codes of employment practice (the Sullivan Code) has had a very salutory effect on personnel policies in these companies.

TABLE 17

IMAGE OF THE EMPLOYMENT PERFORMANCE OF US COMPANIES IN SOUTH AFRICA

"There are a number of American companies in South Africa. How do you think these companies compare with South African companies? Even if you do not know for sure, please tell us what you have heard or what you think is true."

			More	Same	Less*
Wages	%	All	74	17	6
"Do American companies pay blacks more, the same or less as South African companies?"	%	US Co. empl.	67	27	6
Help with housing and education	%	All	71	18	6
"Do American companies help blacks with housing and education more, the same or less than South African companies?"	%	US Co	58	29	13
Training of blacks	%	All	75	16	7
"Do American companies train blacks for better jobs more, the same or less than South African companies?"	%	US Co	67	22	11
Dealing with Black Unions	%	All	60	24	7
"Are American companies willing to negotiate and deal with black trade unions more, the same or less than South African companies?"	%	US Co	46	31	16
			Better	Same	Worse
Supervision	%	All	65	24	4
"Do American companies have better, the same, or worse supervision, that is, supervisors and foremen, than South African companies?"	%	US Co	58	33	7
Disciplinary practices	%	All	70	20	5
"Are American companies more fair, the same, or less fair in discipline than South African companies?"	%	US Co	51	35	11

* Balance making up 100% consisted of 'Don't Know'.

Results from the Durban sample (n100) not presented thusfar tend to confirm the broad pattern of reactions to disinvestment which has been noted. The interviewing in Durban was conducted by a separate team of interviewers working under different supervision, yet the results obtained are virtually identical. The following are comparsions of percentage support for the disinvestment positions between the Transvaal/Port Elizabeth and the Durban samples on the items in tables 14, 15 and 16 respectively: 25% vs 28%, 26% vs 28% and 9% vs 7%. The Durban respondents, however, gave less favourable evaluations of US company employment performance. The average endorsement of the view that US companies are better than South African companies on all the issues listed in Table 17 for the Durban sample was 60 percent versus 69 percent for the Transvaal/Port Elizabeth sample. The 60 percent average for the Durban sample nevertheless shows that even in an area in which very few US companies operate they are viewed in a more favourable light than South African companies.

Generally speaking, then, the results accumulate to show a very substantial majority opposition to disinvestment policy. It might be argued that too great an incentive was given to support the disinvestment position by mentioning the effect on job creation in the wording of the items. This incentive, however, was matched by the opposite incentive which was worded as "*Frightening the South African Government into getting rid of Apartheid*". Generally speaking black people have great faith — often unrealistic faith — in the capacity of the Western powers to influence the South African government. There is no reason why the wording of the disinvestment position should have been any less attractive than the wording of the pro-investment alternatives.

It might also be argued that these responses cannot be generalised for the black population as a whole. Some observers would expect a better educated and more sophisticated population like that of Soweto, for example, to support a pro-disinvestment position.

Results from the sample in this study itself, however, would contradict this view. The following is a comparison between the percentage support for disinvestment in the Transvaal/Port Elizabeth sample as a whole and in the Soweto and the high-school subsamples, across the items presented in tables 14, 15 and 16:

	Overall (n451)	Soweto (n146)	High School Education (n175)
	%	%	%
Table 14	25	26	31
" 15	26	26	26
" 16	9	14	11

From this comparison it would appear to be highly unlikely that a Soweto sample would give majority endorsement to a disinvestment position. A white collar and student sample in Soweto might produce a substantially higher proportion favouring disinvestment but then this would have to be interpreted as a black middle class viewpoint. Given the very small size of the black middle class in South Africa it could never be taken as representative of rank-and-file blacks in any part of the country.

8. CONCLUDING DISCUSSION

This study provides ample evidence of the fact that black production workers in South Africa are not likely at this stage to support the programmes abroad to promote withdrawal of Western or more specifically United States capital from the South African economy. The conclusions are based on a variety of probes in the survey, some of which included a rationale for disinvestment which would be politically persuasive for black people. The pattern of replies, however, remained consistent, showing a large and firm majority in favour of continued and increased US investment in South Africa.

These findings are also consistent with other results, which show that those blacks employed in US companies are likely to have a slightly more favourable view of employers than other workers. There can be little doubt from this trend, as well as from the very favourable employment image which US companies enjoy, that for black workers the presence of US capital in South Africa is highly valued.

Quite obviously the motivations of the black production workers are very unsophisticated. They perceive the issue of external investment and trade policy with regard to South Africa in bread and butter terms. They take an unabashedly short-run and material view of the issue. Nevertheless, they are the people on whose behalf the disinvestment campaign is waged abroad, and for that reason their preferences should be heeded by protagonists in the campaign.

There is perhaps another reason why the preference of these black production workers should count in the debate. Their replies on political issues show clearly that they are no dull, apathetic and crushed proletariat who must be saved from a morass of false consciousness by liberated minds abroad. These production workers have very firm political views and very substantial proportions are inclined to express support for the very agencies who are pursuing the objectives of disengagement abroad. If ever these agencies achieve formal influence in South African policy and affairs black production workers of the kind sampled for this study will be among the first supporters of that leadership.

In the meantime, however, these production workers have to weigh their political commitments against their responsibilities. While very aggrieved and fairly radical in regard to their political circumstances they realise that the system of industrial production, for all its weaknesses which they are the first to recognise, spells survival for the black proletariat.

This awareness may be heightened at a time of recession and high unemployment like the present, but comparative results over time which have been quoted show that the attitudes of these workers are not ephemeral but have a consistent pattern. They wish to see the benefits of the industrial system protected, no matter what the other aspects of political change might be. They are prepared to express support for banned organisations and over a third of them are even prepared to say that they will participate in a mass political strike, but they want their employment and material opportunities protected. Disinvestment by US companies and trade sanctions are a threat to their material and work interests, and therefore they oppose them with firm consistency.

In short, black workers make a balanced, strategic assessment of their position and of potential gains and losses. It involves a necessary (for them) distinction between political and survival strategy which extends to a very careful distinction between alternative roles for trade unions. They appear not to see it as functional for unions and labour organisation to become involved in a political campaign. The extent to which they achieve a notion of specific domains of activity is remarkable, and it contradicts many a thesis that black workers are non-modern men who cannot separate specific principles from diffuse and general grievances.

Some people may argue that it is precisely this tendency among South African blacks to give priority to short-term survival and security that has crippled the black liberation struggle. This is the kind of prescriptive stance that can only be taken by well-educated middle class activists, however, for whom survival and security is not an issue. Change in South Africa is not primarily to be sought for the benefit of the disaffected middle class activists, and therefore any "liberation" must occur with the support and involvement of the black working classes unless it is to be yet something else which is imposed on black people. It is perhaps appropriate, then, for programmes of change in South Africa to work within the priorities and possibilities of the black working classes. In this sense the disinvestment strategy, whatever its validity as a means of providing opposition to vested white interests and structures, cannot claim to be a campaign for the black rank-and-file people of South Africa.

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The CHAIRMAN. Thank you very much, Senator Pell.

I regret that, although it is only 11:04 a.m., the majority leader has asked me to bring this hearing to a close at 11 and I will do that, with apologies to all members and to our distinguished witnesses.

Senator SARBANES. Are we in session?

The CHAIRMAN. No. The majority leader has called for a meeting of all Republicans on an urgent basis at 11 o'clock this morning.

Senator SARBANES. Mr. Chairman, would it be possible for those of us who have been here for most of the morning and have sat through his testimony to continue with a round of questioning with Mr. Crocker, even if you are called to a meeting? We are not going to be doing a markup, but we would at least get a chance, while Mr. Crocker is here, to question him.

The CHAIRMAN. I think the point is well taken.

Senator Kassebaum has volunteered to stay for a while to accommodate other members who have stayed, and so we will proceed on that basis, so long as the Senator is prepared to chair the hearing. But I am attempting to honor a request from the majority leader. I think, because of the budget situation and his request that we not have the hearing at all today, that we have proceeded on schedule, nonetheless, honoring several pledges. I hope the Senator appreciates the predicament.

We will move ahead, however, with your questions, Senator, with Senator Kassebaum presiding. If you can stay, Mr. Crocker, to answer these questions, we would appreciate it. We will proceed. But I think other members, expecting that the hearing was coming to an end, were looking forward to questioning Mr. Crocker again at a later date, and so we will ask the witness to return.

Senator Kassebaum, I will ask you to chair and would first recognize Senator Sarbanes for his questions.

Senator KASSEBAUM [presiding]. Thank you.

Senator Sarbanes, please go ahead.

Senator SARBANES. Thank you, Mr. Chairman and thank you, Madam Chairman.

Mr. Crocker, would you identify your colleagues for the record. I don't think you did that at the outset.

Mr. CROCKER. Yes, Senator, my apologies.

On my right is Mr. Jeffrey Davidow of the African Bureau, Department of State. On my left is Mr. Robert Gelbard, African Bureau, Department of State. Mr. Gelbard is in charge of Southern African Affairs; Mr. Davidow is in charge of Regional Affairs.

Senator SARBANES. Do you believe that the U.S. relationship with South Africa should be one of business as usual?

Mr. CROCKER. I made it very clear that we do not, and it is not.

Senator SARBANES. Secretary Dam made the same point when he testified before the Banking Committee. He then used some examples to illustrate the fact that our relationship with South Africa was not business as usual. A number of those examples were instances in which the Congress, in effect, had imposed, against the administration's position, restrictions on that relationship. Examples are Ex-Im Bank financing and IMF positions.

Is that correct?

Mr. **Crocker**. Senator, I am not sure that I understand the question.

Are you saying were the previous sanctions initiated by the Congress?

Senator **Sarbanes**. Do you cite, as proof that we do not have a business-as-usual relationship, the examples that Secretary Dam used in his testimony? Is that an example of not having a business-as-usual relationship?

Mr. **Crocker**. There are many examples to which we would point, including, simply, diplomatic practice, the way we deal with South Africa, the kinds of people who visit there and who visit here, the kinds of regulations we have on the export of sensitive technology, our adherence to the international arms embargo, the U.N. arms embargo, which started out with U.S. leadership and has been maintained by U.S. leadership ever since.

There are additional items which have been initiated by the Congress. But the point that I think Secretary Dam was seeking to make is that there is in place a structure of distancing measures, some of which you can call sanctions.

Senator **Sarbanes**. Do you support all of the measures now in place?

Mr. **Crocker**. We have made clear that we apply the law and we support those measures. We are not proposing their change. We are not proposing their abolition or repeal.

Senator **Sarbanes**. But you did not want them at the time they were imposed by the Congress, is that correct?

Mr. **Crocker**. The only one that I can think of that pertains to this administration, Senator, which does raise some very basic questions, and for that reason we did oppose it, is the issue of using the IMF decisionmaking process on a political basis, in effect, looking at IMF procedures as a political plebiscite on the policies, domestic policies, of governments that are members of the IMF.

Senator **Sarbanes**. But you now support it?

Mr. **Crocker**. It is the law of the land and we have supported it.

Senator **Sarbanes**. Well, the point here is that there is a difference in judgment over what measures ought to be taken to distance ourselves from South Africa. The administration has in the past opposed some of the measures taken by the Congress, but now supports them. We may have a repeat of that judgment here, involving provisions in the legislation before us.

In other words, although you were against it in the past you now support what the Congress put into place and cite it to make the point that there is not a business-as-usual relationship between the United States and South Africa. You think it is important to establish the proposition, as I gather, that there is not a business as usual relationship between the United States and South Africa.

Mr. **Crocker**. Senator, I think the point we are making in the context of the current debate and public interest in this issue is a very clear one. There have been a great number of statements made, public statements, by people participating in this debate, that grossly distort the record of policy of this administration and its predecessors. There is far greater continuity of policy between this administration and its predecessors than is broadly recognized in this debate.

So we are making it very clear that we do not have such a relationship as business as usual. We are not arguing for one, as long as there is a system in South Africa based on racism, in which the majority is denied all of the rights we are talking about this morning. We are not calling for a normal relationship with South Africa.

Senator **Sarbanes**. I understand that.

The Deputy Secretary of State in his testimony before the Banking Committee, in order to demonstrate that there was not such a business-as-usual relationship, cited a number of different measures, some of which were imposed by the Congress on an administration that did not want them—exactly the same situation that is before us now. So there was a difference in judgment then. The Congress took a particular position and the administration now supports that position and, in fact, cites it to demonstrate that there is not a business-as-usual relationship. A number of us feel that we have to go further in demonstrating that we have distanced ourselves from South Africa.

Let me ask you a broader question about southern Africa.

Secretary Dam, in his April 16 testimony before the Banking Committee, argued in support of this policy that it was leading to the establishment of an independent and internationally recognized Namibia. In other words, the policy of which you are the architect was being supported because it is supposed to be bringing about an important change in Namibia. Literally within days after that testimony South Africa moved in Namibia to draft a constitution and to set up a political arrangement there, a move which, I gather, led the countries of the Contact Group to lodge formal messages of opposition with the South African Government.

Is that correct?

Mr. **Crocker**. Senator, the specific question, did we weigh in and make our views known to the South African Government, yes, that is indeed correct. I think the point to be borne in mind here is that the South African Government was, at that time, looking at proposals that came from Namibia from the internal parties there, and then it reached its conclusion. The conclusion that it reached, we have made clear, in our own public statements, is that it will continue the internationally negotiated process, that it seeks an internationally recognized settlement. That is the only kind of settlement that we have any interest in.

We have also said that any authorities that might be transferred or any institutions created inside Namibia will, as in the past, receive no support, no recognition, and have no status or standing by the U.S. Government or other members of the Contact Group.

Senator **Sarbanes**. I don't see how in a prepared statement to the Congress, you can cite the Namibia policy as an example of the success of your approach, and within days be scrambling, as the United States and other nations were doing, in response to the moves South Africa was making in Namibia.

I have a Post story here, with your picture in it: South Africa plan for interim government called null and void. It does not seem to me that the policy you are pursuing on this important subject is successful when you then have to turn around and say that the South African action is null and void, when the ambassadors of the

U.S.-led Western Contact Group are lodging their governments' objections to the South African plan. Where is the success in that policy?

Mr. CROCKER. The success is in a very simple political logic: there is no way, Senator, that there can be a unilateral or internal settlement of the Namibia problem if outside countries and parties do not recognize that act. That has been the logic consistent in our policy and that of our predecessors going back to 1977–78.

The moves which we have just seen to give the internal parties something to do in Namibia, which is probably what it boils down to, are closely paralleled by the setting up in late 1978, of an internal structure there, which was treated the same way by the Contact Group then, and which produced nothing in terms of an alternative settlement.

We have made our position clear consistently.

Senator SARBANES. My time is up. You are going to be back, and I am going to have a chance to have, I would assume, a longer question session with you.

Let me just make this comment to you.

You are essentially the architect of this constructive engagement policy. You are a young enough man so that there is some historical time left for a judgment to be passed on the policy, and I think that judgment is going to be at its core a moral judgment. I think many of history's judgments are such.

I recognize the complexity of the situation, because you have an overwhelming black majority that has been excluded from power, and you have the question whether the white minority, which holds power, is prepared to relinquish it. That is a difficult situation.

But I think we are paying an enormous price for your South African policy outside of South Africa, elsewhere in the world, in this country and in South Africa itself. Your policy is being perceived clearly by many as indulging the apartheid regime in South Africa. Given that perception, I think rhetorical denunciations are not enough, and we are going to have to go beyond them to concrete measures which back up the condemnation of apartheid. All of our statements begin by condeming apartheid but then go on to oppose doing anything concrete to manifest our condemnation. It is just like what the Congress had to do that at an earlier time, even though the administration did not want it, in order clearly to communicate the message that we were distancing ourselves from South Africa, that we were really seeking to bring pressure to bear in order to effect change in that abhorrent system.

I think there is a need to recognize that those forces are at work.

I would hope the administration would now perceive a need to move forward with at least some of the pending measures before the committee in order to back up the rhetoric about the U.S. relationship with South Africa with concrete action. The very measures you cite to prove the distancing came about in a comparable circumstance, and I think you ought to recognize that situation now.

We will continue this discussion on your next appearance.

Thank you, Madam Chairman.

Senator **Kassebaum**. Mr. Crocker, I have a couple of brief questions.

You mentioned President Reagan's very forceful comments in opposition to apartheid and the tragedy that it is. How were those remarks carried in South Africa?

Mr. **Crocker**. Well, I assume they were widely reported by South African media.

Senator **Kassebaum**. Is that not something the Embassy monitored?

Mr. **Crocker**. Yes, of course. We do monitor that. We are very sensitive to it. They were carried as well on the Voice of America and so forth.

Senator **Kassebaum**. On television?

Mr. **Crocker**. I would have to get you detail on exactly how they were carried in terms of how complete the excerpts were.

Senator **Kassebaum**. I would be very interested in that because I do think this is a problem for us. It is one thing to send the message in the United States, but it does not do a lot of good if it is not received to its fullest extent in South Africa.

[The information referred to follows:]

Evaluation of President Reagan's Speech on Human Rights Day

Reports were carried in a range of media, which included SABC radio and TV and the following newspapers: Argus, Rand Daily Mail, Natal Mercury, Natal Witness, Burger, Beeld, Cape Times and Citizen.

SABC reported that "President Reagan's recent statements are his harshest criticisms of South Africa to date." The report included clips of President Reagan criticizing detention without trial and black relocation. The front page of the December 22 Argus displayed a headline "Reagan Gets Tough," and a front-page story which quoted from the speech.

The Rand Daily Mail carried an editorial saying "The President used the 36th anniversary to deliver his strongest-yet attack on apartheid, a system he said caused him concern and grief over its human and spiritual costs."

Die Burger in its editorial said: "The President's sharp public criticism cannot be disregarded since it can well have detrimental implications for South Africa in the long run. White House officials have already indicated that criticism of this kind will be heard more often."

A Post Natal editorial said "The United States has turned up the volume of criticism on South Africa. Although we told Nobel Prize Winner Bishop Tutu last week that constructive engagement was working, President Reagan is clearly disappointed about the rate of progress towards a more just society in this country . . . [he] issued the most forthright statement about South Africa to date, criticizing forced removals, detention without trial and the lengthy imprisonment of black leaders!

The general tone of all the media reaction was one of apprehension over the strong and forthright tone of the President's Human Rights Day remarks on South Africa.

Senator **Kassebaum**. The other question I have is just exactly where do negotiations stand with the South Africans now regarding their participation in the Nonproliferation Treaty with an agreement for inspection on all their nuclear facilities? Is there any progress in those negotiations?

Mr. **Crocker**. We have been working, Senator, for the past few years, to encourage the South Africans to move toward full scope safeguards and/or adherence to the Nonproliferation Treaty. Obviously both would be the ideal result. The results to date have included the opening up of a continuing discussion with the IAEA in Vienna over the application of safeguards to the semicommercial enrichment plant which South Africa has developed. At present, its civilian nuclear power facilities are safeguarded. But that enrichment plant is not.

There are discussions underway which we, of course, have encouraged as to how we could get the enrichment plant safeguarded.

In addition, we have noted South Africa's published statement that it adheres to what is called the London Suppliers Group Guidelines for the Export of Nuclear Materials. That took place a couple of years ago, when we were strongly encouraging that sort of move.

But, of course, we are severely constrained ourselves. We have only the most limited kinds of nuclear transaction of any sort with South Africa, and that includes items and contracts for safety and health.

The nuclear facilities in South Africa, particularly the powerplants, are not American.

Senator KASSEBAUM. But there were some licensing requests, I think, that have been on hold, is that not correct?

Mr. CROCKER. There were some contracts for health and safety at those powerplants that were approved. At present, the only issue which is under review is the question of the presence of some 25 to 30, I believe it is, Americans who have jobs inside those nuclear powerplants. The question that is being reviewed is whether they are there appropriately under U.S. law.

There was a law passed last year which has to be applied to those individuals, and their status is currently being reviewed. We expect an early decision.

Senator KASSEBAUM. Thank you.

Senator Dodd.

Senator DODD. Thank you, Madam Chairman.

I am sorry Chet that I did not get a chance to question you the other day at the Banking Committee, when you were there with Ken Dam. I had to leave prematurely.

I wonder if you might comment on a couple of points.

First of all, let me ask you this. Yesterday we finished a debate on Central America, and I find myself reading your statement and interposing the words "Central America" for the South African region. I wish this were the kind of statement that were being given about that region of the world because it seems that we apply policies or at least make an attempt in one area and do not in another.

Do you have any idea how many times at all the President has addressed this issue? I know we have made our statements clear, in response to Senator Kassebaum. How is it being received in South Africa? Has the President in one of his Saturday radio speeches ever addressed this issue?

Mr. CROCKER. I don't know the answer to that question, Senator.

Senator DODD. Could we get that, Madam Chairman? I would be curious as to how often the President has addressed the issue of South Africa, or southern Africa, and just by comparison I guess we can get how many times he has addressed the issue of Central America in the last year or year and a half. This is a comparative kind of thing to show the interest. Let's make it for 4 years. I would be curious to see the kind of attention it has gotten.

[The information referred to follows:]

President Reagan on South Africa

While the President has never discussed South Africa in his Saturday radio broadcasts, he has expressed publicly on many occasions his strong opposition to apartheid.

On December 10, Human Rights Day, he stated "We feel a moral responsibility . . . to emphasize our concerns and our grief over the human and spiritual cost of apartheid in South Africa, to call upon the Government of South Africa to reach out to its black majority by ending the forced removal of blacks from their communities, and the detention, without trial, and lengthy imprisonment of black leaders."

On March 21, in his televised press conference, the President noted the circumstances of the violence near Uitenhage and added that, "I don't hold with what happened, and I think all of us find the system there repugnant, but we're going to keep on trying to contribute to a peaceful solution if we can." In a press interview on April 1, the President stated, "We think apartheid is the main problem that must be resolved, and we're going to be doing all we can to encourage the government in its course."

The Department does not keep information or comparative statistics on how many times the President has addressed the issue of Central America.

Current
Policy
No. 643

President Reagan

Rededication to the Cause of Human Rights

December 10, 1984

United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following are remarks by President Reagan in a ceremony commemorating Bill of Rights Day, Human Rights Day and Week, 1984, in Washington, D.C., December 10, 1984. Also included is the text of the President's proclamation.

This ceremony marks more than another event on the White House calendar or another worthy cause for the national agenda; for in observing Human Rights Day, we rededicate ourselves to the cause of human dignity and freedom, a cause that goes to the heart of our national character and defines our national purpose.

So today, we dare to affirm again the commitment of the American people to the inalienable rights of all human beings. In reaffirming the moral beliefs that began our nation, we strive to make the United States what, we pray to God, it will always be—a beacon of hope to all the persecuted and oppressed of the world. And we resolve that, as a people, we'll never rest until the blessings of liberty and self-government are extended to all the nations of the Earth.

Two years ago in London, when I called for a crusade for freedom and human rights, I noted that these ideals—embodied in the rule of law, under God, and in the institutions of democratic self-government—were on the march. Because these ideals represent the oldest and noblest aspirations of the human spirit, I said then that this power is irresistible when compared to totalitarian ideologies that seek to roll back mankind's march to freedom.

Today, I want to take special note of evidence that this desire for self-determination, this recognition by the state of the inalienable rights of men and women everywhere, is nowhere stronger than close to our own borders in the lands of Latin America. In contrast to only a few years ago, today more than 90% of the people in Latin America and the Caribbean live in nations either democratically governed or moving in that direction.

While we're still doing all that we can to promote democratic change in nations such as Paraguay and Chile, we must not forget that over the last 5 years in Argentina, Bolivia, Ecuador, El Salvador, Honduras, Panama, Peru, and, most recently, in Uruguay, military juntas have been replaced by elected civilian governments. And just last Monday, democratic values triumphed again as the people of Grenada freely elected a new civilian prime minister.

Today, all who cherish human rights and individual freedom salute the people of the Americas for their great achievements. And we pledge to our neighbors the continued support and assistance of the United States as they transform our entire hemisphere into a haven for democracy, peace, and human rights.

In other nations farther from our shores, we've also seen progress toward reducing the repression of human rights and some strengthening of democratic institutions. In some of these nations, which have authoritarian governments but friendly ties to the United States and the community of democratic nations, quiet diplomacy has brought about humane and democratic change.

But we know there are occasions when quiet diplomacy is not enough, when we must remind the leaders of nations who are friendly to the United States that such friendship also carries responsibilities for them and for us. And that's why the United States calls for all governments to advance the democratic process and work toward a system of government based on the consent of the governed.

From our beginning, regard for human rights and the steady expansion of human freedom have defined the American experience. And they remain today the real, moral core of our foreign policy. The United States has said on many occasions that we view racism with repugnance. We feel a moral responsibility to speak out on this matter, to emphasize our concerns and our grief over the human and spiritual cost of apartheid in South Africa, to call upon the Government of South Africa to reach out to its black majority by ending the forced removal of blacks from their communities and the detention, without trial, and lengthy imprisonment of black leaders. Such action can comfort only those whose vision of South Africa's future is one of polarization, violence, and the final extinction of any hope for peaceful, democratic government. At the same time, we note with satisfaction that the South African Government has released 11 black leaders, including the top leaders of two of that country's most important labor unions.

Because we care deeply about the people of South Africa and the future of that nation, we ask that the constructive changes of recent years be broadened to address the aspirations of all South Africans. Peaceful change in South Africa, and throughout southern Africa, can come only when blacks and whites find a durable basis to live together, when they establish an effective dialogue, a dialogue sustained by adherence to democratic values and a belief in governments based on the consent of the governed. We urge both the Government and the people of South Africa to move toward a more just society. We pledge here today that if South Africans address the imperatives of constructive change, they will have the unswerving support of our government and people in this effort.

A few years ago, when I spoke of totalitarian ideologies as the greatest threat to personal freedom in the world today and the most persistent source of human suffering in our century, I also pointed out that the United States, too, has faced evils like racism, anti-Semitism, and other forms of intolerance and disregard for human freedom. So while we work to see human rights extended throughout the world, this observance of Human Rights Day reminds us of our responsibility to assure against injustice and intolerance in our own land as well. And today, I call on the American people to reaffirm, in our daily lives and in the workings of our private and governmental institutions, a commitment to brotherhood and equal justice under the law.

But we do a serious disservice to the cause of human rights if we forget that, however mistaken and wrong, however stumbling the actions of democracies in seeking to achieve the ideals of freedom and brotherhood, our philosophy of government permits us to acknowledge, debate, and then correct mistakes, injustices, and violations of human rights. Let us always remember the critical moral distinction of our time—the clear difference between a philosophy of government that acknowledges wrongdoing and injustice and one that refuses to admit to such injustices and even justifies its own assaults on individual liberty in the name of a chimeric, utopian vision. Such brutal affronts to the human conscience as the systematic suppression of individual liberty in the Soviet Union and the denial of religious expression by Christians, Jews, and Muslims in that country are tragic examples.

Today, for example, the largest remaining Jewish community in Europe, Soviet Jewry, is again being exposed to a systematic anti-Semitic campaign. Ominously, teachers of the Hebrew language have been arrested and their efforts to preserve their culture and religion treated as a crime.

Soviet authorities are continuing to threaten many "refuseniks" with confinement in psychiatric hospitals, expulsion from their jobs, and internal exile. Yet thousands of Soviet Jews have applied for permission to emigrate. We have insisted and shall continue to insist that those who wish to leave must be allowed to do so.

Our heart also goes out today to an individual who has worked so hard for human rights progress in the Soviet Union and suffered so much for his efforts—the Nobel Prize laureate, Dr. Andrei Sakharov. Nothing more clearly illustrates the absence of what our Founding Fathers called a "decent Respect to the Opinions of Mankind" than the cruel treatment of this great humanitarian. The Soviet Union, itself, would do much to regain respect within the international community if it would allow academician Sakharov and his wife, Yelena Bonner, to live the rest of their lives in dignity in a place of their own choosing. We're pleased to have the Sakharovs' son-in-law here with us today.

The Sakharovs are the best known victims of human rights violations in the Soviet Union, but thousands of other Soviet citizens, such as Uri Orlov, or Anatoli Shcharanskiy—whose wife, Avital, is here with us today—suffer in Soviet prisons and labor camps for the sole crimes of expressing a personal opinion, seeking to emigrate, or openly expressing their love of God.

We Americans recognize a special responsibility to speak for the oppressed, wherever they may be. We think here of special cases like the persecution of the Baha'i religious minority in Iran. But we also acknowledge a special obligation to speak for those who suffer the repression of totalitarian regimes, regimes that refuse to acknowledge and correct injustice and that justify absolute state power even as they seek to extend their cruel rule to other lands.

So, we call today for all free peoples of the world to unite in resisting and bringing to an end such intolerable practices as the suppression of free trade unionism, the campaign against the church and against political freedom in Nicaragua, the continuing Vietnamese occupation of Cambodia, and the barbaric war waged by Soviet troops in Afghanistan—a war which began 5 years ago this month with the Soviet invasion of that once nonaligned country.

As but one of the tragic consequences of Soviet actions in Afghanistan, more than one-third of the people of that country have fled from their homes and sought refuge in internal or external exile.

Finally, we welcome the recent steps taken by the Polish Government, but we urge that they are followed by lasting efforts for genuine, national reconciliation through effective dialogue with the Polish people.

So today, we, the people of the United States, in conjunction with other freedom-loving people everywhere in the world, rededicate ourselves to the cause of human rights, to the cause of democratic self-rule and human freedom. We reassert our belief that some day the repression of the human spirit and the special tragedy of totalitarian rule will be only a distant chapter in the human past. In doing so, we're deeply aware of our nation's long struggle toward achieving these goals and our own heritage

PROCLAMATION 5287, DECEMBER 10, 1984

On December 15, 1791, our Founding Fathers celebrated the ratification of the first ten amendments to the Constitution of the United States—a Bill of Rights that has helped guarantee the freedoms that all Americans cherish.

For the first time in the history of nations, our Founding Fathers established a written Constitution with enumerated rights based on the principle that the rights to life and liberty come not from the prerogative of government, but inhere in each person as a fundamental human heritage. Americans believe that all persons are equal in their possession of these unalienable rights and are entitled to respect because of the immense dignity and value of each human being. With these great principles in mind, the Founding Fathers designed a system of government limited in its powers, based upon just laws, and resting upon the consent of the governed.

When Americans first proclaimed this noble experiment in self-government and human liberty, it seemed to some to be a utopian, unrealistic ideal. Today, virtually every nation in the world has adopted a written constitution expressing in varying degrees fundamental human rights. One hundred and fifty-seven years after the ratification of our Bill of Rights, on December 10, 1948, the United Nations adopted the Universal Declaration of Human Rights affirming an international consensus on behalf of the human rights and individual liberties that we value so highly.

Thirty-six years after the adoption of the Universal Declaration of Human Rights, however, it is clear that this consensus is often recognized more on paper than in practice. Throughout the world, many governments nominally adhere to the Universal Declaration of Human Rights while suppressing free elections, independent trade unions, due process of law, and freedom of religion and of the press.

The United States recognizes a special responsibility to advance the claims of the oppressed, to reaffirm the rights to life and liberty as fundamental rights upon which all others are based; and to safeguard the rights to freedom of thought, conscience, and religion. As we are free, we must speak up for those who are not.

As Americans, we strongly object to and seek to end such affronts to the human conscience as the incarceration in the Soviet Union of men and women who try to speak out freely or who seek to exercise the basic right to emigrate; the harsh treatment accorded one of the great humanitarians of our time, Andrei Sakharov; the denial of basic human rights and self-determination in Eastern Europe and the Baltic states; the failure of the Polish authorities to establish an effective dialogue with the free trade union movement in that country; the manifest injustices of the apartheid system of racial discrimination in South Africa; the persecution of the Baha'i religious minority in Iran; the lack of progress toward democratic government in Chile and Paraguay; the campaign against the Roman Catholic Church in Nicaragua; the suppression of freedom in Cuba and Vietnam; the brutal war waged by Soviet troops against the people of Afghanistan; and the continuing Vietnamese occupation of Kampuchea.

The American people recognize that it is the denial of human rights, not their advocacy, that is a source of world tension. We recall the sacrifices that generations of Americans have made to preserve and protect liberty around the world. In this century alone, tens of thousands of Americans have laid down their lives on distant battlefields to uphold the cause of human rights. We honor and cherish them all. Today, it is with an abiding sense of gratitude and reverence that we remember the great gift of freedom that they bequeathed to us.

As we give special thought to the blessings that we enjoy as a free people, let us not forget the victims of human rights abuses around the world.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim December 10, 1984, as Human Rights Day and December 15, 1984, as Bill of Rights Day, and call on all Americans to observe the week beginning December 10, 1984, as Human Rights Week.

In Witness Whereof, I have hereunto set my hand this tenth day of December, in the year of our Lord nineteen hundred and eighty-four, and of the Independence of the United States of America the two hundred and ninth.

Ronald Reagan

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of seeking to promote these ideals throughout the world.

Thomas Jefferson told us, "The mass of mankind has not been born with saddles on their backs." And the poet Archibald MacLeish once said that some say the hope for ". . . the liberation of humanity, the freedom of man and mind, is nothing but a dream. They are right. It is. It is the American dream."

Another great American literary figure, F. Scott Fitzgerald, suggested that America is "a willingness of the heart." We've recently read a great deal about the young people of this nation about whom, some say, this willingness of the heart no longer exists. Well, my own experiences with this generation suggest that the traditional idealism of the young, their hope to accomplish great things, their willingness to serve the cause of humanity are not only intact but stronger than ever. And like every generation before it, this generation hungers for a cause, for a mission that will take it outside itself and let it help lift humanity beyond the material and the immediate to new heights of human and spiritual progress.

So today, let us challenge these young Americans to make our nation an even better example of what it was always meant to be—champion of the oppressed, defender of all who reach for freedom and for the right of self-determination. Let us challenge young Americans, excited by technological and material progress, to ensure that this progress enriches political freedom and human dignity as well. Here's a challenge that's worthy of our youth, of their vision, their energy, and their vigor. Let our younger generation lead young people throughout the world to join the democratic nations in promoting human rights and self-government and the cause of human freedom.

The other night at the Kennedy Center, they had a choir, a UN choir of 90 young people, children, in the costumes of their native countries from all over the world. And looking at them down there, singing together, I couldn't help but think, "Good Lord, if we turn it all over to them, they'd get along just fine together." And maybe the world should follow their lead.

There is in the Book of Genesis a story of great loss. It's a story of man alienated from his fellow man and turning to persecution and hatred for others. Well, I believe that history is slowly working itself back to the restoration of brotherhood and mutual respect among all the peoples of the Earth. So today, we rededicate ourselves to this vision and mission. We do so mindful that human might and will alone cannot achieve this goal, aware that our ultimate success will be determined by our faith in the power of prayer, in the promises of [illegible] who made us and even now guides us in our quest for human dignity and freedom.

And now I shall quit talking and sign the proclamation.

Today is now, for the week beginning today, it is now recognized officially as Human Rights Week. And the 15th will be Bill of Rights Day. ■

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Senator Dodd. Chet, you said, and if this is incorrect, please pipe up right away. Concerning Bishop Tutu at the White House, the statement was, at least as far as I recall it, that he does not really understand the American position. The statement that you made at the White House was that he just did not appreciate, did not understand, the American policy in South Africa.

Am I roughly correct? Do you recall making a statement like that? The question, then, is why not, why doesn't he? Is it a problem he has or is it a problem we have in seeing to it that he does understand?

I was not sure from the quotation whether or not you thought that was our shortcoming or his shortcoming.

Mr. Crocker. It was not so much an attempt to wag a finger at anybody as to indicate that, in fact, it is useful to have such a meeting, precisely in order to communicate.

Bishop Tutu made a number of points in his meeting with the President. He said that what he wished was not less of America's presence and involvement, but more of it. He wished that we applied conditions to our involvement, which are implicit in everything we do and implicit in the President's policy. As he has said, so long as there is progress being made, so long as there is a reform commitment, we should be involved.

He also enunciated a series of goals for change, Senator, which exactly replicate the kinds of goals we are talking about here today and the kinds of things that we have been saying for a number of years are the early goals for change. He set these as kinds of targets. The President and the Vice President responded that those, indeed, are our targets.

Another point he made, which gets back to Senator Kassebaum's question is that there is a perception, and we are aware of the fact that there are perceptions, that there are communications difficulties. South Africa is a divided country, a polarized country, as has been said already. The way in which one communicates and the channels through which one communicates are very important issues——

Senator Dodd. Are very what, Chet? I did not hear you.

Mr. Crocker. Are very important issues. We are open to ideas on this.

I do not think that we want to convey the impression that there is nothing creative or constructive that can be done in addition to what we are trying to do. That is not our stance here this morning.

Senator Dodd. I found the quotation. It was in December, at a White House briefing. It said, "Bishop Tutu has a considerable degree of lack of information and misunderstanding as to what it is that we stand for." That was the exact quotation.

This is not just any black leader from South Africa. To many people in this country, indeed, around the world, at least as far as a spokesperson goes, he is the most prominent. He is the recipient of a Nobel Peace Prize. I am curious why he does not have information, why he does not know what we stand for. How often do our people in the Embassy meet with him? How often have you met with Bishop Tutu?

Mr. Crocker. We meet with him frequently, and we maintain, for a number of reasons, such a contact, not only because he is the recipient of a Nobel Prize, but because an important one of our assistance programs for black South African advancement is, in fact, administered through an organization with which he is closely affiliated. That is our Scholarship Program, which has been a great success and which he strongly supports.

So we do have contact with him.

The point I would make is we have very regular discussions.

My colleague just pointed out to me that we have been in very recent contact though our mission in South Africa with Bishop Tutu. So that is not really the issue.

I think we have to be humble enough, frankly, Senator—and I said this in my opening comments—to recognize that there is a political process going on in that country in which people are saying things for various constituencies and audiences. It makes it very complicated. To expect people to embrace or endorse at this perhaps very delicate stage in South Africa's history is expecting too much.

Senator DODD. With regard to the Scholarship Program, what stage is it in right now? There is a scholarship program that we were going to set up for blacks in South Africa to come to study in this country. Is that program underway in any way?

Mr. CROCKER. Yes, indeed it is.

Senator DODD. Furthermore, is that perceived by some, by a significant minority or a majority of blacks in South Africa, as being in any way an endorsement of the policies of separate education in South Africa?

Mr. CROCKER. No, I don't see how it could be.

Let me try to answer that question.

We have, with the support of the Congress, developed an important multiyear Scholarship Program for black South Africans to study in this country. We call it the External Scholarship Program. I believe there are something between 350 and 400 students approved under that program studying here, a good number of whom have completed studies and are in the process of returning to South Africa.

That program I think is widely, if not universally, viewed as a success. It involves a number of South African and American educational leaders.

There is a second program that we are seeking to get going, and we are doing so again in consultation with Congress, which involves the provision of bursaries or scholarships to South Africans to study inside South Africa. We are seeking the right institutions to work with to make that a viable program.

Senator DODD. And there is no perception among a significant minority or a majority of people that this is in any way an endorsement of separate educational institutions on the basis of race?

Mr. CROCKER. We have not heard that accusation made.

There is, of course, interest on the part of recipients as to who gets the scholarships and which organizations are involved in making those decisions.

Senator DODD. I have just one brief question. I see that time is limited and we have to quit.

Do you want me to quit?

Senator KASSEBAUM. Just one more brief question.

Senator DODD. I will ask the question and I will stop. You may want to come back to it if the answer will take too long.

The Sullivan Principles, you have expressed opposition to what we have been asked to support here today by Senator Kennedy and Senator Weicker. You may have already been asked this and if so, I hope I have not missed it.

What would be your reaction to codifying the Sullivan Principles and adopting them as legislation? Would the administration support that?

Mr. CROCKER. Senator, I am not aware that that provision is in the Kennedy-Weicker bill.

Senator DODD. Oh, no, it is not. I was suggesting that as an addition or as a separate piece of legislation, to actually codify, as part of our package, the Sullivan Principles, assuming that we could draft them in legislative form.

Mr. CROCKER. Senator, it raises a number of important questions of policy.

We have, like the previous administration, strongly supported the Sullivan effort. We think its results are very dramatic and that they are evident on all sides.

Our companies represent the state of the art in South Africa in terms of fair employment, and it is in substantial measure because of Reverend Sullivan and his whole program that that is the case.

I, therefore, in this respect must take fundamental issue with Senator Kennedy's characterization of the image of our country in South Africa. There is not any reputable organization, black, white, pink, or green, in South Africa that would deny the lead role of our firms in terms of fair employment, as well as support outside the job market for black advancement.

We believe that this has been a credible and successful effort in large measure because it has been based on a voluntarist principle. We do not believe that there is any apparent way for us to set up monitoring mechanisms as the U.S. Government to conduct such an effort. To have an army of bureaucrats setting up new regulations—the State Department, for example, is not in a position to do that at this point. So we are not in favor of seeing the mandatory enactment of legislation on that, as we have said in the past.

It does involve, as well, the risk of a form of extraterritoriality in that we would have official agents of the U.S. Government having to conduct a monitoring or inspection function on South African territory, which does pose some legal and diplomatic questions.

Senator DODD. Thank you.

Thank you, Madam Chairman, for permitting me these extra few minutes.

Senator KASSEBAUM. Thank you.

And thank you, Dr. Crocker. We will look forward to your being back with us when the second session of this hearing continues.

Senator SARBANES. Madam Chairman, may I say to Dr. Crocker that I hope for our rescheduled session he clears his own calendar. It is important that he spend a considerable amount of time with the committee probing the whole range of the South Africa policy and the premises upon which it is based.

This is an easy session and other matters have intervened, and you have to leave. But I think we have to get into this thoroughly and fully, and I would hope that your schedule next time would permit that.

Mr. **Crocker**. I will make certain that it does, Senator.

Senator **Kassebaum**. That concludes the hearing.

[Whereupon, at 11:33 a.m., the committee adjourned, subject to call of the Chair.]

U.S. POLICY TOWARD SOUTH AFRICA

THURSDAY, MAY 2, 1985

United States Senate,
Committee on Foreign Relations,
Washington, DC.

The committee met, pursuant to notice, at 10:06 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Richard G. Lugar (chairman of the committee) presiding.

Present: Senators Lugar, Kassebaum, Trible, Evans, Pell, Biden, Sarbanes, Cranston, Dodd, and Kerry.

The Chairman. This hearing of the Senate Foreign Relations Committee is called to order.

Today the committee meets to continue its consideration of U.S. policy toward South Africa. Our initial hearing on this subject on April 24 was cut short by a meeting called by the majority leader. At that time, Assistant Secretary of State Chester Crocker had completed his opening statement, but the committee did not have an opportunity to question Secretary Crocker. We appreciate very much your willingness to return today, Mr. Secretary.

On April 24, Senators Dole, Mathias, and I introduced legislation on South Africa. There was some confusion in the press about that legislation, and the Washington Post reported that it was an administration bill. I believe this confusion has been cleared up, but for the record I would like to state that the legislation Senators Dole, Mathias, and I have introduced is not an administration bill, but an initiative on the part of the three Senators who introduced it.

We would hope, of course, that the administration would see fit to support this legislation in due course, and I am confident that Secretary Crocker will want to comment on this legislation today.

It is my present intention to convene one further hearing on U.S. policy toward South Africa. That hearing will provide an opportunity for the committee to hear from a variety of nongovernment witnesses who have expertise in this area. We anticipate that the hearing will be scheduled on May 22 or May 23, during the last week of the session prior to the Memorial Day recess.

It is my intention to mark up the legislation on South Africa during the first week after the recess and to take the bill to the floor of the Senate as soon as possible.

Secretary Crocker, I would like to ask you to give the committee a brief summary of your statement of April 24 and any other thoughts which you might like to make in light of legislative or other developments since that time.

I understand Senator Cranston also has an opening statement. We will of course make that time available for them. But for the moment, would you like to proceed with some recapitulation or additional statements based on current events, Secretary Crocker?

STATEMENT OF HON. CHESTER CROCKER, ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS

Mr. CROCKER. Thank you very much, Mr. Chairman. I am pleased to have the chance to return to pick up, in effect, where we left off a short time ago. I understand there may be some more questions.

I do not have a lengthy opening statement, but simply a few observations that I think would be worth passing on in response to your opening, Mr. Chairman. It seems to me that one of the things that needs to be clarified is the question of what the effects would be of some of the legislation that has been proposed.

I do want to get to a comment on the bill that you introduced as well, Mr. Chairman, but we have been told in recent weeks that the bill introduced by Senators Kennedy and Weicker, which has a House counterpart, in effect is a modest little measure, a little beginning that would enable us to feel somewhat better about ourselves and to send a signal, but one that would not hurt anybody and would not hurt unintended victims.

I would like to start out by clarifying what in fact is in that legislation, Mr. Chairman. We, I think, should look very carefully at the argument that this kind of legislation is not going to hurt anybody and therefore we do not need to worry about what happens to the people of South Africa in the process. We believe that view is misleading. Of course, as far as the South African Government is concerned, such legislation would indeed be a pinprick that would not coerce them, in our view, to change their policies. But let us look at the practical consequences. I would like to give one example in this regard.

Proponents of such legislation say that no new investment would not lead to disinvestment. In making that statement, I think we have to look very carefully at what the results show from other experience. In 1979, the Government of Sweden decided there should be no new investments by their firms in South Africa. The facts since then show the following: In 1979 there were 31 Swedish firms with investments in South Africa employing 5,500 workers. In that year, the Government adopted a freeze on all new investment by Swedish firms very comparable to what is in the S. 660, as it is called.

In 1984, a Swedish Government report indicates that the number of Swedish firms in South Africa has dropped from 31 to 17. The number of black employees of those firms has dropped from 5,500 to 2,800. Indeed, as we have been testifying, investment limitations on existing firms place them in an uncompetitive position.

The consequence, whether intended or not, is that such legislation leads to disinvestment. That is the scenario that has been played out in the Swedish case and we think the same thing would happen if we went down that road. There are many arguments made on these matters, and I think it is important to get that on the record, Mr. Chairman.

At the last hearing and here this morning, you announced, Mr. Chairman, your intention to introduce legislation that is being introduced by you and Senator Dole and Senator Mathias, S. 995. I would like to state in this opening comment that there is much in that legislation which this administration can support. Its emphasis on the positive role of the U.S. Government and U.S. corporations in promoting change away from apartheid in South Africa is consistent with the American policy and with the administration's policy.

We will have to review the budgetary and management implications of certain increases in funding for scholarships and human rights activities, scholarships for black South Africans, and we intend of course to do so. But in principle, we see no objection to additional efforts in these areas.

In fact, I would go beyond that and state that we started such programs with bipartisan support back in 1981. They are welcomed by black South Africans. They have bipartisan support in Congress, and we are prepared to build on such programs in consultation with Congress.

There are elements, however, of S. 995 which do pose difficulties with the administration which we have a problems with, and I thought I might say a word on that, because, as you have indicated, that legislation is not an administration bill.

The administration has consistently opposed punitive sanctions against South Africa and that portion of the bill which threatens the imposition of such sanctions within 2 years is therefore inconsistent with our policy, and we believe unlikely to produce the kind of change that we all seek.

The administration also has problems with making adherence to fair employment codes mandatory for U.S. firms. Indeed, the U.S. Government has consistently opposed mandatory codes of conduct for multinational corporations both in the U.N. context and the OECD context, and we believe that this could undermine our worldwide position on that issue.

The mandatory nature of this requirement risks, in our view, undermining a very successful voluntary program, namely the Sullivan principles effort under which U.S. companies have enacted wide ranging progressive reforms in employment practices. They have defined the state of the art in fair employment in South Africa for other investors and dedicated some $100 million to housing, education, and other programs beyond the work place for their employees.

We are also worried about the extraterritorial application of U.S. law in this instance, which could be involved if it requires American officials to be inspecting or conducting oversight on foreign territory in order to ascertain performance.

Another concern we have with the legislation as drafted is that penalties for noncompliance, Mr. Chairman, are so onerous that they could lead many companies to simply withdraw, rather than risk falling afoul of this law and having penalties applied to their operations on a worldwide basis because of uncertainties about their performance in the South African specific context.

But let me say in conclusion that the administration shares the goals of the drafters of S. 995. As the Senate. deliberates on its choices vis-a-vis South Africa, the administration will be pleased to work with interested members to develop a proposal that we hopefully can support to advance the cause we all believe in.

If I could just conclude these brief remarks with a reference to an article recently published in the New York Times by Alan Payton, Mr. Chairman, a man whose moral and political courage throughout the world I think is unquestioned. Payton wrote:

> I have a word to say to those Americans who think they can hasten the day of liberation by damaging the South African economy, as for example by disinvestment. I do not think that damaging our economy will help us do better. It will do material harm to many black people. Americans ought to be told that they are going to bring hunger and suffering to many black people.
>
> One often hears black South Africans say, we do not mind suffering; we are used to it. But this cry usually comes from those articulate blacks who will suffer least. I as a Christian will have nothing to do with disinvestment. To believe that disinvestment will bring our government to its knees is to believe nonsense. The economic power of America is awesome, but Americans must not underestimate their moral power. The one thing they must not do is isolate us South Africans from the world.

Mr. Chairman, I submit that Alan Payton's words are ones that should cause us all to pause. What we are dealing with in South Africa is the chance for a deeply troubled society to get its act together. We do not believe that process will be accelerated if our Nation turns away or actively works to reduce opportunities for the majority in South Africa or to weaken the economic base of that country.

On the contrary, we think what is at stake is a chance to create and to build a just social order that offers equal chances to all, and I am confident that that is what this committee and what the American people would want to do.

Thank you very much.

The Chairman. Thank you very much, Secretary Crocker, for your opening comments this morning.

This morning the Chair will recognize other members of the committee, and I will be prepared to raise questions as we have transitions and to try to accommodate members as they are coming and going. But I would like to ask, first of all, Senator Kassebaum, whether you have any questions this morning of Secretary Crocker.

We will try a ten minute limit on the first round and then proceed from there.

Senator **KASSEBAUM**. Well, as you know, Mr. Chairman, this hearing was called at Senator Sarbanes' request, because he felt he had further questions to ask. I do hope Senator Sarbanes can come because he had many issues he wished to raise.

When Mr. Crocker was here before, we explored some issues even after others had to leave for the budget meeting. At that time I asked some additional questions, which I don't have any further right at the moment, but may later.

Thank you, Mr. Chairman.

The **CHAIRMAN**. Very well.

Senator Trible, do you have questions this morning?

Senator **TRIBLE**. Thank you, Mr. Chairman.

Secretary Crocker, you quoted Secretary Shultz as saying that South Africa is changing. What changes do you see in the country that would make us more confident of a positive result?

Mr. CROCKER. Senator, it is a big question. I will try to give a concise answer to it.

It seems to us that if we look at the situation in South Africa in historical terms, we could say that it was in the late forties and the early and mid-fifties that apartheid was being created, in terms of being legislated into law. The period from the mid- to late-sixties up roughly to the early seventies was the period when apartheid was a solid monolith in which there was really no evidence of significant change going on in a constructive direction, apart from very minor things like park benches, which none of us would attribute much significance to, frankly. A process began in the mid-seventies of really reappraising and questioning throughout the white establishment in South Africa, and that has been accelerating ever since that time.

The most immediate and visible indications of what that has led to in recent years has been in the socioeconomic field, where you have seen the establishment of an important free labor movement. That means that today, for example, unlike 4 or 5 years ago, half the trade union members in South Africa are blacks. That is a significant step ahead in terms of blacks acquiring an organizational base to advance their own interests and to negotiate.

We have seen in the constitutional field very limited steps taken, and many other steps hinted at. And Senator, I want to emphasize that we do not view with satisfaction or complacency the situation at all in South Africa. What we are saying is that a process has begun.

In the constitutional field, we have seen the white political monopoly broken by the system which has been put in place over the course of the last 12 months, inadequate though that is, unsatisfactory though it is, rejected though it is by many of the majority in South Africa. It does nonetheless end the white political monopoly.

We have seen a number of areas of change as concerns the urban rights, the labor rights, the residency rights of blacks in urban areas of South Africa. What this leads to, the granting of a freehold for example in urban areas, is the undermining of the notion that blacks are temporary in the white areas, that blacks are simply there as employees at the beck and call of white business and the government, and it is a fundamental issue, because it means that apartheid doctrine in its classical sense is being eroded.

Apartheid doctrine calls for the export of South Africa's black majority to homelands, the denationalization of the black majority. We have seen the suspension of forced removals while that whole policy on urbanization or deurbanization is being reviewed and reappraised.

We have seen commitments made in principle to look at the issue of citizenship for the black majority in South Africa. That has not yet been translated into action; but this is fundamental because apartheid denies citizenship to the black majority.

These are some examples I would point to, Senator. There are of course other things one could discuss. But I think what we are seeing then is a situation where socioeconomic change has opened up very substantially the opportunity for black participation in the economic life of South Africa, and where social and economic growth have in fact undermined the basic assumptions that are built into apartheid. Apartheid is a failure.

Even as we hear stories, and they are true, that millions of blacks have been moved out of urban areas, millions more have been coming in. They cannot be stopped. This is an inexorable process, so we believe that dynamic is under way.

Senator TRIBLE. Mr. Secretary, there is obviously a broad consensus in the Congress for doing more than just stating our opposition to apartheid, but it is a very difficult question to resolve of how we can do more and influence constructive change without destroying the fabric of the society.

What steps do you advocate, or what steps does the administration advocate over and above speaking out and expressing our moral outrage?

Mr. CROCKER. Senator, I think there are a number of things we can do which are consistent with the contructive approach which I believe all of us want to see. We have made a modest beginning, as I indicated in my opening comments, in building programs that put tangible resources behind our words in terms of promoting black advancement.

But it is a modest beginning. I think we should frankly recognize that. Americans are involved in South Africa in education, in training, in the trade union field, in the human rights field, and of course as investors. But there are no doubt many areas in which we could do more in terms of institution building, in terms of training, in terms of expanding opportunity, some areas of which are in fact contained in the bill that has been introduced by the chairman, and we think that more could be done in this regard.

A second point I would stress is that it is useful for this country, our great Nation which is indeed respected by South Africans, to be sending credible signals of the things we agree about as a nation. There are many ways for the people to do that, for the American public to do it, the American media, the Congress, and the administration to do it.

I think that is a very important area. There are sometimes illusions I think in South Africa that not many Americans care about racism, or that only a tiny minority of people care. That's an illusion that is dangerous. It is not true.

As I said a week ago when we were here, I do not think there are any respectable voices defending apartheid, and of course for the South Africans to hear that message, as well as to hear the message that we believe in peaceful change, not just any old change, nor change that destroys things, is an important message.

Our leverage, I would submit in conclusion, Senator, is in the area of moral and political suasion. South Africans wish to be accepted, and we have many ways to use that. We would like to see more people from the Congress visit South Africa to express their views.

Those are a few ideas.

Senator TRIBLE. Thank you, Mr. Chairman. Thank you, Mr. Secretary.

The CHAIRMAN. Thank you very much, Senator Trible.

The Chair would like to call on Senator Cranston now for both an opening comment and questions. And we have a 10-minute limit on the first round, but we will proceed if you have additional needs, Alan.

Senator CRANSTON. Thank you very much, Mr. Chairman.

I welcome this opportunity to explore the Reagan administration's policy of so-called constructive engagement. I want to use my time in the opening round to rebut Secretary Crocker's testimony of last week listing a dozen reasons why supporters of additional sanctions are "misguided." These are the intellectual bases of the failed Reagan administration policy of constructive engagement, in my opinion.

With the committee's indulgence, I would like to quote verbatim from each of Secretary Crocker's arguments and briefly present my rebuttal.

First, Mr. Crocker argues, "The proponents of sanctions cannot demonstrate any predictable positive results from their imposition."

This argument implicitly requires guaranteed success as a precondition for pursuing alternatives to a demonstrably failed policy. This is a prescription for inaction and defeatism. Economic sanctions would predictably and positively finally convince the Pretoria regime that the American Government will no longer tolerate business as usual. This would predictably and positively increase pressures for substantive reform of the apartheid system, and provide an alternative to violence as a route to inevitable change, and it would have the predictable positive result of reversing the widespread impression in South Africa that the U.S. Government stands with the minority oppressors as opposed to the oppressed majority.

Second, Mr. Crocker maintains, "Sanctions are not the only way or even a good way for this country to send a signal to South Africa."

To the contrary, economic sanctions are not only the best way, but probably the only way to accomplish our Nation's most immediate goal in South Africa. This objective is to impress upon the white minority in Pretoria who monopolize all political and economic power that the status quo is unacceptable, that meaningful change must come about soon if further international isolation and convulsive domestic violence is to be avoided. Only economic penalties can do this because only new U.S. sanctions which hit the powerful in their pocketbooks will be taken seriously in Pretoria.

Third, Mr. Crocker asserts, a majority of South Africans is by no means calling for sanctions. I urge you to read closely the words of Bishop Tutu: 'The vast majority of blacks do not favor disinvestment.' "

Mr. Crocker persists in setting up a straw man when he argues against disinvestment. None of the bills before the Senate even approach disinvestment. These measures would only bar new U.S. investment in a morally bankrupt system.

Mr. Crocker's canard ignores the fact that any South African who endorses international economic sanctions commits a criminal offense under one of many outrageous South African laws. Nevertheless, Bishop Tutu has made quite clear that he considers economic sanctions the next option.

Fourth, Mr. Crocker claims "Sanctions ignore the harm that such an approach would inflict on the black majority."

Let Mr. Crocker heed his own counsel to read closely the words of Bishop Tutu on this assertion. Tutu told Newsweek in March of 1985 that: "This argument is moral humbug. It is no use being well-to-do when you are a slave."

Crocker's claim ignores the fact that fewer than 70,000 of South Africa's 23 million blacks, or fewer than 1 in 300, work for American firms. None of these blacks would lose their jobs under our bill.

Furthermore, change toward a more just society must risk some economic costs. As Lowell Weicker has pointed out, the United States abolition of slavery caused unemployment for a while in the South. That was no argument against doing what we did to get rid of slavery.

Fifth, Mr. Crocker argues: "There is no majority in this country for the kinds of economic sanctions which have been proposed." Does this suggest that Congress must await 51 percent support in polls for a specific legislative proposal before doing what is right? That is not the way democracy is supposed to work, Mr. Crocker.

The House passed overwhelmingly in 1983 the provisions of the Anti-Apartheid Act. That action provides a far more accurate assessment of U.S. sentiment than the commentary of a State Department diplomat.

Sixth, Mr. Crocker claims: "Economics is not the key leverage we have in South Africa. Our influence is political, moral, and psychological.'

This is just not true in 1985. South Africa already endures a moral, political, and psychological isolation imposed by most other civilized nations which abhor apartheid. U.S. moral influence has been diminished by this administration's unwillingness to back up our antiapartheid rhetoric with economic sanctions. What good are morals if you state morals but behave in different ways?

Economic measures remain the most effective U.S. leverage, for we are South Africa's No. 1 trading partner and we are the No. 2 source of both foreign investment and foreign exchange to finance the apartheid state.

Seventh, Mr. Crocker asserts: "It is simply bad public policy to go down the road of sanctions, which today may be used against South Africa but tomorrow against some other country."

The new White House trade embargo against Nicaragua makes this assertion downright silly. Listen to the logic advanced in support of the Nicaragua trade embargo, which far exceeds any legislative action the Senate contemplates against South Africa. This logic is so clearly applicable to South Africa. Chairman Lugar has declared: "Nicaragua is not a country we wish to have a training relationship with until it fulfills its promises" for democratic processes.

And Secretary Shultz defends economic sanctions against Nicaragua by noting: "There is a sense or feeling that, regardless of the effect, certain types of relationships with countries we think are doing a lot of damage are undesirable."

Eighth on Mr. Crocker's list is the assertion that, "In societies which are essentially economically strong, such as South Africa, sanctions are unlikely to have a major effect."

This completely ignores the fact that South Africa is enduring a severe recession and continues to look to the United States as the most important political and economic tie in the West. The United States supplied South Africa with $7.5 billion in private loans, $5 billion in annual foreign trade, and $2.5 billion in investment.

Is it U.S. policy only to take on the weak with whom we differ?

Ninth, Mr. Crocker argues: "Sanctions are unlikely to be accepted by the international community." This point ignores the fact that U.S. allies, such as Japan and Sweden and at least 26 U.S. banks have already taken many of the steps contemplated by the Anti-Apartheid Act.

More importantly, it ignores the fact that the United States is still the leader of the free world. It is up to us to lead, to show the way, and to convince others of the wisdom of following our lead in refusing to profit from an abhorent system.

Tenth, Mr. Crocker notes that: "Sanctions talk worries South Africa's neighbors. Other states of South Africa are concerned about the effect on their economies if additional sanctions on South Africa are implemented."

Mr. Crocker's point overlooks the fact that black nations of southern Africa are of course not engaged in making investments, loans, and computer sales in South Africa, as American firms still are. We are not advocating a trade embargo.

I really do not understand what Mr. Crocker is getting at in regard to this point. Is he suggesting that American sanctions would create economic difficulties in the entire region? If so, he contradicts his claim that sanctions would not be effective.

Eleventh, Mr. Crocker's point is that sanctions would be "precisely the wrong signal to send at a time when South Africa is changing more than ever." South Africa is changing for the worse. Its new laws are even more repressive. The death tolls for massacres of civilians by police are ever larger. The lockups of opposition leaders are more frequent, and the stakes for the people of America and South Africa are ever greater.

While Mr. Crocker is fooled by cosmetic reforms of petty apartheid, the native black majority still has no freedom of movement, no right of citizenship, and no power to vote for national leadership. Constitutional reform has been a sham and violence is escalating.

Finally, Mr. Crocker saves his weakest, most defeatist argument for last. His 12th and concluding point is that:

> Sanctions are likely to cause others around the world in places far removed from South Africa to doubt the wisdom and strength of America's foreign and economic policy.

Here the Reagan administration's top spokesman for constructive engagement is telling Congress that if we enact modest economic sanctions against further U.S. financing and equipping of the universally condemned South African regime, we will cause others to doubt the wisdom and strength of American policy.

Mr. Chairman, this argument would abdicate any claim to moral leadership for our Government. This argument would surrender any obligation to use our limited power to act against a moral outrage. It would excuse any responsibility this Nation has in financing the perpetuation of the most evil system of racist repression this planet has seen since the Nazi Holocaust. This argument is wrong. I reject it outright, and I pledge to battle it until we have a new policy that the American people can be proud of and that can better serve our national interest.

The CHAIRMAN. Thank you very much, Senator Cranston.

Senator Evans.

Senator EVANS. Thank you, Mr. Chairman.

I listened with great interest to the distinguished Senator from California. In fact, he took from my list several questions that I have. But perhaps I will go over some of them to give you a chance to respond to those.

First, on page 3 of your testimony you suggest that—let me read it:

> The external environment has a direct bearing on the situation within South Africa. A white government that no longer sees itself as besieged from outside its borders will be better able to take the steps it must to reform its own society.

That sounds like if we all just lay off for a while things will naturally take a benign course. What would you substitute for the term besieged? Would it be pushed or pressured or encouraged? There must be another adjective that more accurately states what direction you think we ought to take.

Mr. CROCKER. Senator, the discussion in the testimony that you are referring to had to do with the regional equation in southern Africa as it affects decisionmaking inside South Africa, not the question of what Western public opinion and Western governments can do to bring constructive pressure to bear.

We believe we are bringing constructive pressure to bear; there is no question about that. But as concerns southern Africa, it is very much our view that as long as the South African leadership finds itself distracted by reacting to violent threats across frontiers directed against its own borders that it is unlikely that you are going to see the kind of willingness to take risks for change domestically that we all wish to see that Government go ahead and do.

So what we are saying is that the siege mentality vis-a-vis South Africa's neighbors has a negative consequence in terms of internal decisionmaking in South Africa. I think there is some evidence to support that proposition.

Senator EVANS. But is it not precisely the current activities of the South African Government that are so abhorrent to its neighbors, as well as many others throughout the world, that causes external pressure from the neighbors of South Africa?

If the South Africa Government were benign, integrated, all of the things that maybe we would like to see, do you believe that there would still be the pressures from the external neighbors?

Mr. CROCKER. We believe it is a two-way street, Senator. I am not trying to imply otherwise. But the equation of violence in southern Africa has two directions to it. We are firmly against destabilization. We are firmly against the notion that armed struggle can somehow liberate South Africa's majority.

Both of those illusions, both of those doctrines, of destabilization on the one hand and armed struggle on the other, are in fact being undermined in part through the efforts of our own diplomacy.

Senator EVANS. At this point I do not expect an answer and I do not want to get into it, but that sounds strangely at odds with the policies we now follow and what we believe might happen in Nicaragua.

But other than that, let us get back to South Africa. You talk about new investment and economic sanctions, noting the Swedish case as an example. If in fact there has been a reduction in the number of Swedish companies investing in South Africa, because, as you say, they are no longer competitive and can no longer keep up, does that suggest that those workers out of a job or those companies which have withdrawn simply are not replaced?

It seems to me that it is much more logical to assume that the very fact they are not competitive means that someone else is more competitive and someone else is moving in, whether it is an internally developed company or some other foreign company. And therefore, there has been no net loss in South Africa.

Mr. CROCKER. Senator, the point you are raising is a very important one, which I developed earlier, before Senator Cranston entered the room. The clear record shows that, despite the effort to portray this as not a disinvestment bill, if you go down the road of freezing investment or no new investment the practical consequence is that you will see investors leave.

They do so in part because they cannot maintain their competitiveness inside that country, they cannot modernize using external capital. They can only use internally generated capital. So they have in fact picked up and left.

The number of Swedish firms has declined from 31 to 19, and I indicated the number of workers who had lost their jobs in those Swedish firms. I am not saying that those individual workers are today unemployed, but if one argues—and we clearly have, and I think most people would agree—that black workers of U.S. firms have the best standards of fair employment practice, that influence is going to be lost if our firms disinvest because of a freeze on investment.

Senator EVANS. Well, unless all nations were to embark on a disinvestment or a freeze on investment policy, it seems to me that the argument of greater unemployment or greater pain to South African blacks or whites will not hold. If the Swedish disinvestment is replaced by Italian investment and Italian disinvestment is replaced by French investment, then unless you get all of the developed countries to withdraw or stop, are you not going to just replace one with another?

Mr. CROCKER. Of course, we cannot predict what will happen in that regard, but I do believe the basic point we are trying to make is that the influence, albeit limited, of our investors there, which is constructive, is going to be removed if we leave the scene.

And I do not think anybody who has studied the South African labor situation closely would argue that black workers are going to be better off under the tender mercies of German or Swiss multinationals than they are working for our companies which have set these high standards.

Senator EVANS. How about Japanese?

Mr. CROCKER. The Japanese, of course, are making rapid inroads into a number of these areas of industry in South Africa through their trading relationships. I do not think that we have much experience and would not want to comment without further research as to the standards of employment practices pursued by Japanese firms.

Senator EVANS. Well, we probably have pretty good examples, do we not? There are many, many more American workers who are now working under Japanese managements. We ought to have a pretty good idea of their employment practices right here in our own country.

Mr. CROCKER. The main practice pursued by the Japanese firms that I would draw the attention of this committee to is the fact that their share of the South African computer market is growing by leaps and bounds precisely because of threats in this country to stop exporting computers to South Africa. I do not see any scruples being exercised there.

Senator EVANS. Let me turn to your points at the end of your paper. I think I would have somewhat the same comment Senator Cranston had on your fifth point that suggests there is no majority in this country for the kind of economic sanctions that have been proposed.

Now, whether economic sanctions are or are not a good idea, I do not think the argument that a majority of the country is necessary. I think the best estimates we have, from my own reading of history, is that at no time during the American Revolution were more than one-third of the colonists in favor of the American Revolution. The rest would just like to bow out and stay out. So I do not always think it takes a majority before you act and act decisively.

On your sixth point, you say "We should recognize that economics is not the key leverage, but our influence is political, moral, psychological, and the sanctions will limit our opportunity to exercise that influence." Those are fine words, but I still have not heard the real specifics of what those elements are and precisely how they are being effective now and will be effective in the future.

What specific political, moral, and psychological influence under our current actions vis-a-vis South Africa are being effected?

Mr. CROCKER. I would point to a number of programs pursued by Americans both in and out of government. We have developed, as I indicated earlier, Senator, a number of programs of training, of education, of support for human rights activities, support for the use of the legal system as an instrument and an agency for fighting apartheid, which we think are a good, solid beginning, and that kind of influence is clearly there.

To refer specifically to the issue of corporate investment, I would take us back to the period when the Sullivan principles were first being developed and I would make the historical connection, which I think is very clear, between the elaboration of the firms in the late seventies and eighties, which in turn produced the situation of the opening up of the labor market in South Africa and the opening up of trade union rights for blacks.

So what I am saying in effect is that the standard set by Americans was the leading standard. In effect, South Africans were reacting in part to that when they moved ahead on the process of labor reform in their own country, which they did soon thereafter, in part because I think they found it intolerable that Americans were seeking to play that kind of a role as an outside element. They wanted to get hold of the situation themselves and move forward.

Senator EVANS. Just to follow that up, is that our view of the cause and effect relationship? Or is that view also held by some of those leaders who are now speaking out in South Africa, like Bishop Tutu, and a good many others, who believe that the Sullivan Code and adherence to it had a direct cause and led to the effect that you have just mentioned?

Mr. CROCKER. I do not want to put words in anyone else's mouth, Senator. I think that's very much our analysis. The sequence of events would clearly point in that direction, and those reformers from within in South Africa who did all the negotiations about those labor law reforms, would clearly say that they were in part triggered by an example being set from outside.

Senator EVANS. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Evans.

Senator Sarbanes.

Senator SARBANES. Mr. Chairman, I had one round of questioning Mr. Crocker and I do want another one, but I would defer to other members of the committee who have not yet had an opportunity since this is, I gather, a resumption of the previous hearing.

The CHAIRMAN. Yes. Well, why do you not take a round presently. I think it is only Senator Kerry and I have not had questions yet, and I am deferring mine for awhile until I am certain everyone is accommodated.

Senator SARBANES. John?

The CHAIRMAN. Why do you not proceed, Senator Sarbanes. Then I will recognize Senator Kerry next for an additional ten minutes.

Senator SARBANES. All right. Thank you, Mr. Chairman.

Mr. Crocker, is it your position that no change whatever should be made in U.S. policy toward South Africa?

Mr. CROCKER. Senator, let me begin my answer by stating that our policy towards southern Africa, which is the policy known as constructive engagement, is a policy of being there, being relevant, rolling up our sleeves and doing things we believe in, rather than walking away. That is what the policy is about. The distinction is between that and walking away.

Obviously, the situation in southern Africa as a whole is an evolving situation. Our policy is not a static one, and it does have to take into account events in South Africa and events in the region, and it does. That is the first point I would like to make.

The second point I would like to make—which I did make in my opening comments here this morning, and I do not want to rehearse for you because it would take too much time—but I simply made the point that we look forward to working with Congress to see what we can do to further strengthen a constructive policy. We see a very clear distinction between measures that are constructive and measures which would not be.

Senator SARBANES. Well, I have not yet heard you indicate in any of your testimony anything you would change. Therefore I put my question again, whether it is your position that nothing should be changed with respect to the policy toward southern Africa, over which you have jurisdiction?

Mr. CROCKER. We think the policy is working. We think that if there is any doubt in anyone's mind, either in this country or in South Africa, about the way we feel as Americans about apartheid, there have got to be ways to make that clear. We think it is being made clear by the debate in this country today, Senator.

Senator SARBANES. Well, I would have to disagree with you on that. I take it, therefore, the answer to my question is that there are not any changes you think should be made? Everyone here is proposing changes, and they run a sort of gamut in terms of how far they would go, and people all across the country are proposing changes. People abroad are proposing changes.

But it is your position that there are not any changes that ought to be made?

Mr. CROCKER. No, Senator, I am not saying that. I indicated in my opening——

Senator SARBANES. Well, what changes do you think should be made?

Mr. CROCKER [continuing]. I indicated in my opening comments that there were elements of the bill introduced by Senator Lugar and several of his colleagues that the administration can support and does support.

Senator SARBANES. The one that provides some money for black Africans? Is that the part you support?

Mr. CROCKER. We support building on the base that we already have in place, which has bipartisan support, to do more of that kind of activity. We obviously have to look at it from the standpoint of financial and management criteria, but we certainly are open to looking in that direction. We support expanding opportunities through the economic mechanisms in that bill for blacks, both as workers and as business people.

Senator SARBANES. Why is there such an incredible mismatch between your perception, which is essentially that there ought to be no changes with respect to the policy, and the perception of a growing number of people, a growing number of Members of the Congress, a growing number of people across the country, and a growing number of commentators?

You must have thought about that. You are an intelligent man and you see all these commentaries. What is your explanation? Why is there this growing gap?

You were given the reins with this policy for a while by people. I recall my colleague Senator Tsongas saying he did not think it was going to work, but you could try it. And you went ahead and tried it for a while. Not only has nothing seemed to come of it, but the situation has seemed to have gone from bad to worse.

What is the mismatch here in the perception? Why is it that you think there is nothing that needs to be changed while a growing number of people do not perceive the policy the same way?

Mr. **Crocker**. Senator, I think I would turn that question around, if you would permit, by asking, where were the pressures for the kind of change that is under discussion or being proposed, particularly for example in the Kennedy-Weicker legislation? Where were such proponents when apartheid was an unbroken solid monolith in the fifties, sixties, and early seventies?

We heard from Senator Kennedy the last time I was here that at the time of his late brother's visit to South Africa in the mid-sixties, apparently an important watershed, that there was something about America's flag, that it somehow flew higher than it does today. And yet, in those years there was no evidence whatsoever of constructive change.

So we do not quite understand the historical logic here. I think a great deal is being said in the current debate in this country, Senator, about where South Africa is going and what is happening there which is a grotesque distortion of the facts. There is a misunderstanding about South Africa.

Senator **Sarbanes**. Let me follow that up, but let me do it not in the context of a Democratic and Republican split, which you have just chosen to do in your answer, but do it Republican to Republican. You have characterized the Nixon policy toward South Africa as a "public posture of abhorrence for apartheid alongside de facto acquiescence in the policies of Pretoria on the one hand and movement toward a tacit and confidential working relationship over the Angolan, Rhodesian, and Namibian conflicts on the other."

Except for the fact that you have dropped the public posture of abhorrence for apartheid, how does your policy differ from this policy, which you apparently strongly criticize?

Mr. **Crocker**. Senator, I cannot accept your characterization of this policy. I did write that. I remember the words well.

I do not believe that we can have a policy of dealing with a difficult and polarized part of the world such as southern Africa in effect in the closet, a kind of clandestine policy. We have not been doing that. We have been up front, both about what we think on the issue of change in South Africa and about the importance of negotiated solutions that bring about Namibia's independence and other progress in the region. We have had significant accomplishments on both fronts, in our view.

So I cannot accept the characterization of the policy. We do not think that what we are doing is benign neglect. We do not think what we are doing is equivalent to what was done in that period I was criticizing.

Senator **Sarbanes**. All around you, Mr. Crocker, more and more people are thinking that. They are saying that. They are searching for alternatives. You sit there, I am beginning to think sort of isolated and removed, almost an ivory tower mentality—and sort of say, well, you know.

I do not share the perception that your policy is working. Many others do not share that perception. A growing number of people in fact think that our policy is perceived as indulging the South African Government in its apartheid policies. Yet, in effect, you say, no change that needs to be made.

These proposals for change are not just coming from a handful of people in the Congress. I got a letter this morning from two of my colleagues on the other side of the aisle, who have now introduced the United States-South African Relations bill of 1985:

> Our failure to exert pressure on the South African minority government has led many black South Africans to conclude that our Nation is aligned with the forces of racial repression. Ironically, many white South Africans have a similar conclusion. After all, if this country fails to act in the aftermath of the massacre at Undenhage, what will move us to act?

Then they go on and propose certain measures, including banning of South African Airways landing privileges in this country, termination of nuclear trade, and so forth—measures short, actually, of the measures contained in the bill which Senator Cranston and I and others have joined in cosponsoring.

All of this is happening around you, and yet I do not sense that you're coming to grips with it. You yourself should be questioning your own policy in view of this, and searching for some way to address the situation. I am being told, you do not see anything wrong with your policy, you think it is working, there are no changes that you think ought to be made in it. That is not the general perception.

Mr. CROCKER. Senator, we are saying that we believe that there are more constructive things that can be done. We are also saying we do not believe that destructive things ought to be done. That is what we are saying.

Senator SARBANES. The American Bankers Association has now adopted a position—this is dated April 22—concerning U.S. bank lending to South Africa:

> ABA firmly opposes the system of apartheid and encourages its member banks to refrain voluntarily from making loans to the government of South Africa or its instrumentalities. ABA suggests that its member banks lend to the private sector in South Africa only when in management's judgment such loans would benefit all of South Africa's people.
>
> The ABA also suggests that representatives of its member banks express their opposition to apartheid when speaking with their business and banking counterparts in South Africa.

Then they go on to say they oppose mandatory credit allocation schemes. But here you have an important private group moving to a stronger policy than you are reflecting. You have got thousands of students all across the country putting the South African issue at the top of the moral agenda.

And yet you sit here and say you think the policy is working all right, there are not any changes you think ought to be made in it.

Mr. CROCKER. Senator, I think——

Senator SARBANES. How do you square that attitude with what is happening across the country here and what is happening in southern Africa?

Mr. CROCKER [continuing]. Senator, let me answer your question this way. I think that there is a tendency, and it has been commented on by a number of commentators not all of whom are endorsers of the administration policy, that the South African question today in this country has become for some the moral equivalent of a free lunch. And I am quoting directly from a correspondent.

Senator SARBANES. Well, that is a put-down, an unfair put-down of a lot of people who I think have a very real and genuine concern.

Mr. CROCKER. I am not saying that it is not.

Senator SARBANES. Now whether in fact that is the case, you ought not to be able to get off the spot you are in by an ad hominem attack on people who are raising the South African question. Many have been at it for a long time. You do not accuse Randall Robinson of being on a free lunch trip, do you?

Mr. CROCKER. Senator, what I am saying is very——

Senator SARBANES. Do you accuse Robinson of being on a free lunch trip?

Mr. CROCKER. I am not accusing anyone of that. What I am saying is that for many people that has been the way it has appeared. And as they think about it——

Senator SARBANES. Well, that is——

Mr. CROCKER [continuing]. May I finish my sentence, Senator?

Senator SARBANES. Is that your answer to what is happening across the country?

Mr. CROCKER. My answer is that as some people try to look at it in those terms, they have had to think once, twice, and three times about what makes good foreign policy, and the issues are more complicated than that. It is a moral equivalent.

Senator SARBANES. The issues are complicated, but you better start coming to grips with them, because you are sitting there, I am beginning to think, in total isolation from what is going on around you. There is a growing drumbeat of criticism of this policy, much of it coming from sources that one would never have anticipated, much of it from sources clearly aligned with the Administration in a political sense, so that it can't be discounted on political grounds, and you sit here telling us there is no change. I asked you what changes. You had no changes that you want made. The Congress is full of proposals for changes, coming from a wide variety of people on the political spectrum.

Mr. CROCKER. Senator, we are saying we are open to constructive additions to our efforts. We are also saying, which I think is the critical part of this whole discussion, and this whole debate in this country, that there is a process under way in South Africa which is not adequately understood and which needs to be supported and not undermined.

Senator SARBANES. Well, Mr. Chairman, I see my time has expired.

The CHAIRMAN. Thank you very much, Senator Sarbanes.

Senator Kerry.

Senator KERRY. Thank you, Mr. Chairman.

Mr. Secretary, in response to the series of rebuttal comments made to you by the distinguished Senator from California, is there anything you would want to change in your testimony before this committee.

Mr. CROCKER. No, Senator, there is not. There are certainly points I would make in response, if that is what you are asking.

Senator KERRY. No, would you change anything? Is there anything that you feel is a legitimate criticism of the policy you are pursuing?

Mr. CROCKER. No.

Senator KERRY. No legitimate criticism whatsoever?

Mr. **Crocker**. I think there are points for discussion here, and presumably that is the purpose of a discussion like this, so I am quite pleased to go into some of these issues if that is your desire.

Senator **Kerry**. Do you talk frequently with the Secretary of State?

Mr. **Crocker**. Yes, indeed.

Senator **Kerry**. Does he listen to you?

Mr. **Crocker**. I listen to him and I guess he listens to me, Senator.

Senator **Kerry**. It is your assumption with respect to South African policy, that he does?

Mr. **Crocker**. Yes, Senator.

Senator **Kerry**. Is it your belief that you folks at State are together on this policy at this point in time, in agreement?

Mr. **Crocker**. I think it is our assumption that we have a policy that is (a) working; (b) the best that exists among alternatives. It is a very complex issue which Senator Sarbanes and I were discussing. There are no easy answers and we are not saying that there are.

Senator **Kerry**. Is it important whether or not one has consistency in one's foreign policy?

Mr. **Crocker**. I think it is important to stand for certain things, of course, Senator. I do not think that one needs to try and draw up rigid worldwide doctrines. But we have to stand for what we stand for, and I think we do, very clearly.

Senator **Kerry**. Well, I have to confess to you that I am really totally baffled. I take it you disagree with the administration and the State Department in which you work on policy toward Nicaragua?

Mr. **Crocker**. No, I do not, Senator.

Senator **Kerry**. You do not disagree with that?

Mr. **Crocker**. No.

Senator Kerry: So in one event it is good to have economic sanctions; in another event it is not good, is that correct?

Mr. **Crocker**. The issue on which one should be consistent is on what is good foreign policy, what works and what does not work.

Senator **Kerry**. Well, in your testimony——

Mr. **Crocker**. Not whether or not sanctions in some abstract sense are a good policy or not. Sanctions have to be looked at in the context of each individual case.

Senator **Kerry**. That is not what you say you in your testimony. In your testimony you say very clearly that you think that sanctions as a whole—let me turn to the relevant portion of it:

> Otherwise sober and thoughtful people who argue that we best deal with nations with whom we have serious policy differences through increased contact, more trade, greater investment and fuller diplomatic conversations, somehow lose that sense of proportion when discussing South Africa.

What is there in your policy about Nicaragua that espouses any of those principles? It is totally contrary, is it not?

Mr. **Crocker**. I do not think it is, Senator.

Senator **Kerry**. Where is there more contact? Where is there more trade, and greater investment and fuller diplomatic conversations?

Senator CROCKER. The reference made in that area of the testimony that I submitted earlier, Senator, was making the obvious point that people are always inclined to criticize a conservative administration for its attitude toward the Soviet Union.

I am saying here, that in the Nicaraguan case we have a very different situation. We have a government which is allied to our global adversary, which has military arrangements with Cuba, with Libya, with other countries with which we have most fundamental differences and which through its actions on a regional basis is in fact acting in a way that is inconsistent with our national security interests and poses a threat to those interests.

I do not think there is a parallel.

Senator KERRY. That is not what you say in your testimony, though. I mean, I am just reading your words and trying to interpret them as a rational human being, and you say very clearly that many of those in this country who are now calling for increased economic sanctions against South Africa have adopted the attitude that we should be willing to undertake such punitive measures even if we are unclear as to what the results would be. "Otherwise sober and thoughtful people, who argue that we best deal with nations with which we have serious policy differences," and on you go.

And I quote you: "As our own history shows"—and I assume you are referring to the general history of the United States. "As our own history shows, progress comes with contact, communication, and positive action by succeeding governments and the American people as a whole."

That sounds to me to be totally contradictory to what we are doing in Nicaragua.

Mr. CROCKER. Senator, I am sorry, I do not see the contradiction. We are promoting, in that particular section of my testimony, and are arguing that there is a need inside South Africa for greater dialog and communication, for institution building, for channels to be opened up; and that we, by being there, can help to promote that process.

We do not see any evidence given the facts in Nicaragua as compared to the facts in South Africa to make a comparison. In the case of South Africa, for all its many inadequacies—and we have been very clear about them, just as you have been—it is impossible to argue, in our judgment, that South Africa today is worse than it was 4 years ago in terms of opportunity. Where were the black trade unions 4 our years ago? In terms of government commitments for change, even though not fully implemented by any means, in terms of many things it is not worse than it was 4 years ago.

Where is Nicaragua today compared to where it was 4 years ago? Where is the human rights improvement of any kind in Nicaragua? On the contrary, it is in the reverse. Where is Nicaragua's external policy today compared to where it was 4 years ago?

Senator KERRY. Let me ask you with respect to your policy statement here. You say again: "No one in South Africa or southern Africa, black or white, would benefit from a South Africa economy destroyed and a society consumed in racial warfare. We must be responsible in our actions."

What is there in the proposal of Senator Kennedy, Senator Sarbanes, myself, and others that is irresponsible? What is irresponsible in prohibiting new U.S. bank loan investment to that government, either bank loans to the government or U.S. investment? What is irresponsible in that?

Mr. CROCKER. We have made and will be submitting to the committee a full technical paper on each of the measures that are under discussion of that kind, Senator, which I will hope to have up here by tomorrow. I already indicated in my testimony last week how we feel about those measures, as did Under Deputy Secretary Dan before the Senate Banking Committee.

What we are looking at in each case is a series of punitive measures which (a) will not provide coercive influence vis a vis the government——

Senator KERRY. Will not what?

Mr. CROCKER. Provide coercive influence vis a vis the Government of South Africa, and which (b) make for bad public policy. For example, if one goes down the road of no bank loans to the Government and all Government agencies, what you are saying in effect is that somehow American firms should not be able to compete for contracts for the South Africa electrical utility or for the South African Airlines for reequipping its air fleet.

Senator KERRY. Is that not exactly the point? They should not.

Mr. CROCKER. In what fashion does that advance the ending of apartheid, Senator? That is our point. In what fashion does it do anything except hurt American exporters and workers who lose jobs? What does it really do except hurt our own economy? It disadvantages——

Senator KERRY. Are you suggesting that the American economy is dependent on its trade with South Africa to such a degree that we should not take certain steps over a period of time to try to leverage a change in the most repugnant political system on the face of this planet, as my colleague has said? Where is the value system here?

Mr. CROCKER. I think the value system is very clear in the existing regulations which have been built up over many years, as we have said repeatedly, and which have been maintained fully by this administration. We distinguish exports to South African Airways, let us say, from anything to do with the apartheid enforcing agencies, where we do not permit exports of sensitive equipment or, for that matter, to the military and police. We have clear disassociation with the things we find objectionable.

I do not see how it can be maintained seriously that the South African electrical utility is buttressing apartheid, unless you want to simply say that we should have total economic warfare against the whole of that economy to undermine the system. And we are not proposing that and I do not think you are either.

Senator KERRY. So it is your belief that there is no leverage whatsoever? I mean, you avoid any possible linkage between what banks are doing now, what students are doing now, what divestiture and that argument has done up until now with the changes?

By your arguments, the only reason the changes thus far have taken place are because of constructive engagement, this administration's policy? Is that your argument?

Mr. CROCKER. Senator, I think that would be arrogant and we do not make that claim.

Senator KERRY. So you do then agree that other things have had effect?

Mr. CROCKER. Not students, with respect, Senator, on our campuses.

Senator KERRY. Well, what about the other economics of that? What about the First Bank of Boston saying we are not going to trade? Does that have an effect, yes or no?

Mr. CROCKER. I do not think it has had any effect at all. There is not much interest in American banks, and has not been for years, in lending to the South African Government.

Senator KERRY. What steps outside of what you have done have had an effect?

Mr. CROCKER. Overwhelmingly, the influence of the black majority in South Africa. That is what has had an effect.

Senator KERRY. What steps in America, outside of what you—or in another country, outside what your administration has done, have had an effect?

Mr. CROCKER. I am not aware of any serious moves of the kind we are discussing here today, Senator, being taken by other countries, although there is a suggestion by some that they are ready too. We do not see it, so I do not think there are examples.

Senator KERRY. So no step by another country. What about in the United States? What step outside of what you have done has had an impact? Or is it your argument that nothing has?

Mr. CROCKER. I think the principal force for change in South Africa has long been internal, and I think it is very important to understand that point.

Senator KERRY. Just so I understand. I want to pin this down. It is internal. So it is your answer to this committee that nothing outside of what the administration has done has forced change in South Africa?

Mr. CROCKER. I would put it this way, Senator: That there have been things that we have done which have had an impact. There are things we have done that have long been done by other American administrations that have also had an impact. I think the message is clear. I do not think the white Government of South Africa has illusions as to the way this country feels about the system.

Senator KERRY. Again, is there any step taken by anybody outside of your administration's steps that has had an impact on what has happened in South Africa? I understand from what you have said, no.

Mr. CROCKER. The best way I can answer that, I guess, would be to put it this way, Senator. If there were, let us say, 2-years ago, large numbers of white South Africans who believed that the only people who care about racism and apartheid were some tiny minority in the American political spectrum, then having the kind of debate we are having here surely undermines such illusions.

Senator KERRY. One last question, Mr. Chairman, if I may ask your indulgence. In your prepared statement you say: "If we are going to play a positive, constructive role, it will not do to proclaim simply that we must 'do something about apartheid' and then select among proposals according to how good they make us feel."

Is it your contention therefore that the proposal of Senators Sarbanes, Kennedy, Weicker, Cranston, Kerry, and others is merely to make us feel good?

Mr. CROCKER. Senator, I am simply referring to what has been said in previous——

Senator SARBANES. "A free lunch" I believe is the rubric that is being used.

Senator KERRY. This is your word here. It says, "according to how good they make us feel." You are referring to our proposals. Is it your contention that that is why we are doing this, to make us feel good?

Mr. CROCKER. It seems to me, if I can recall clearly what was said on a previous occasion before a different committee of this body, the proponents of that legislation were asked point blank, what would happen as a result of this legislation? And that was the Kennedy-Weicker bill. What result would this have? How much change would result from it?

And the answer that was given by the proponents of the legislation was: We make no claims at all. We do claim this will make us be able to hold our head higher here. In effect, that was the answer that was given. That is all I am saying.

Senator KERRY. Well, I certainly have some strong beliefs and feelings about that, and I will not take up the committee's time right now, Mr. Chairman. And I thank you for your indulgence.

The CHAIRMAN. Thank you very much, Senator Kerry.

Senator Pell.

Senator PELL. Thank you very much, Mr. Chairman.

I apologize for not having been here earlier, but I have one question I wanted to raise. That is, in trying to think of suitable sanctions against the Government of South Africa we have sort of this scale of the possibility of disinvestment or no new investments, or stop the Krugerrands, no loans, et cetera, et cetera.

One thought I have been turning over in my mind is the idea of removing South Africa from the list of those countries that receive most-favored-nation treatment. As you know, when actions abusive of human rights have occurred in the past we have done exactly that.

Also, quite some time ago, I think in 1911, the United States adopted economic sanctions against then-Imperial Russia because of the pogroms and the abuses of human rights. We much more recently lifted MFN treatment for Poland because of her abuse of human rights. We apply it selectively to those countries behind the curtain where human rights are most abused.

The economic impact I realize would not be very great. I believe the rough estimate is that only 20 percent of South African exports to the United States would be affected, because the majority of their exports, more than $2 billion, consist of raw materials not subject to customs duties.

But as an indication of the feeling, would it be appropriate or why should we not link the Soviet Union and the Republic of South Africa as both being pretty abusive of human rights? In fact, I think when it comes to black human rights the Republic of South Africa is more abusive of human rights than the Soviets are to their people.

What would be your reaction to such a proposal and to its implementation? In other words, what we are doing is we are linking those countries that are most abusive of human rights.

Mr. CROCKER. Senator, I think the last time I was here we touched on that question briefly. As best I understand it, and as I mentioned we will be submitting a technical memorandum to the committee on these questions and other proposals as well, that goes into the details, including our legal obligations, this of course would put us in violation of our GATT agreements, and it would provide the opportunity——

Senator PELL. If I could interrupt there, I believe that articles 20 and 21 of the treaty provide for the suspension of any of the provisions of the treaty for human rights and national security reasons. That is why we applied it to Poland.

Mr. CROCKER. I would have to get you a legal interpretation, Senator, as to what the grounds are for any such suspensions. I believe that the way it is worded and the way we have interpreted it historically has been national security exemptions, and that is the kind of thing we have tended to use in the past.

Senator PELL. Certainly when we did it to Poland we did not talk about national security. We talked about the abuse of human rights. That was a very few years ago. I am not going back to the earlier example I cited.

Mr. CROCKER. Senator, we would be happy to comment further on that. The point I guess I would make is that this, of course, would have potential legal consequence. We cannot predict exactly what retaliatory steps might be taken, but it clearly would enable South Africa to retaliate against our own trade, and whether they would do so or not would be up to them of course to indicate.

Senator PELL. How would they retaliate against us? They do not import very much.

Mr. CROCKER. What they could do is simply find a way to make a comparable form of punishment of our exports, by imposing duties or whatever. There are several things they could do.

Senator PELL. I would hope you would turn this over and give us a memorandum on the effects of it.

[The information referred to follows:]

MEMORANDUM ON SOUTH AFRICA'S MFN STATUS

Senator Pell inquired about the retaliatory steps that might be taken by South Africa should "most favored nation" rights, under the GATT, be terminated on human rights grounds.

The Administration remains firmly opposed to the imposition of punitive sanctions against South Africa including any denial of MFN to South Africa.

South Africa currently enjoys MFN treatment pursuant to various articles of the GATT, including Articles I and XIII. The basic MFN principle is found in Article I, which provides that ". . . any advantage, favour, privilege or immunity granted by any contracting party to any product originating in or destined for any other country shall be accorded immediately and unconditionally to the like product originating in or destined for the territories of all other contracting parties."

The GATT contains two articles with basic exceptions to the requirements of the agreement. The first, Article XX, contains a list of qualified exceptions based essentially on the nature of the product (e.g., restrictions based on public health standards or on the products of prison labour). It contains a general preambular qualification that the measures undertaken under this article may not be applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination among "countries where the same conditions prevail," or a disguised restriction on international trade. The phrase in quotes has generally been construed to refer to trade-related considerations rather than political ones. In any event, the limited product based exceptions in Article XX do not constitute a basis to deny MFN rights as such to a country.

The second GATT provisions, Article XXI, is a far broader authority. It is generally referred to as the national security exception to the GATT. As you will note from the text of the article, it does not contain a human rights exception. The article provides as follows:

Nothing in this Agreement shall be construed:

(a) to require any contracting party to furnish any information the disclosure of which it considers contrary to its essential security interests; or

(b) to prevent any contracting party from taking any action which it considers necessary for the protection of its essential security.

(i) relating to fissionable materials or the materials from which they are derived;

(ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;

(iii) taken in time of war or other emergency in international relations, or

(c) to prevent any contracting party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

MFN status can be denied to a GATT country consistent with Article XXI when doing so is necessary for the protection of the "essential security interests" of a state party to the GATT, provided of course that the decision to do so in taken in time of war or other "emergency in international relations." In the view of the State Department the denial of such rights to South Africa by the United States could not be justified based on the current situation in that country and the criteria specified in Article XXI.

Of course, a country could deny MFN treatment consistent with the GATT if the other GATT party fails to abide by its GATT obligations. For example, Article XXIII of the GATT (which deals with the nullification of impairment of GATT rights) recognizes that retaliatory measures are also possible.

The GATT does not contain a general exception which would permit a state to deny MFN status based on human rights grounds. The denial of MFN treatment to Poland in October 1982 is often cited as an example of the denial of MFN status on human rights grounds. The U.S. did withdraw MFN treatment for Poland in October 1982. However, in GATT terms, the action was taken pursuant to the particular terms of Poland's Protocol of Accession to the GATT. That Protocol expressly permitted a unilateral response to Poland's failure to meet its special obligation to increase imports in quantitative terms. South Africa's Protocol of Accession contains neither such a special obligation nor any such unilateral right for contracting parties. The U.S. refrained from taking retaliatory measures until the situation sharply deteriorated in that country. This is reflected in the President's proclamation suspending Poland's MFN treatment, when he pointed out that the increased repression of the Polish people left the United States "without any reason to continue withholding action on its trade complaints against Poland."

While the U.S. could legitimately suspend MFN rights with respect to Poland because of the special provisions of Poland's Protocol of Accession, and do likewise with respect to Nicaragua under the GATT's national security exception, the State Department believes that no such justification currently exists with respect to South Africa. Consequently, we have no basis under the GATT to impose an MFN prohibition (either through executive or legislative action) and such action could result in retaliatory trade measures by South Africa.

Senator **Pell**. I intend to continue to press this idea in order to give the South African Government the feeling that they are being equated with the other great abusers of human rights—the Communist countries. I do not see why we only take action of this sort against the Communist countries that abuse human rights, when the most massive human rights abuser in the world today is the Republic of South Africa from the viewpoint of number and quantity.

Mr. **Crocker**. Senator, I think we have to look at each case on its merits, as I said a moment ago. We believe we have more channels of influence, more ways to bring our influence to bear, vis-a-vis a country that is, relatively speaking, open to our influence and to our presence. For example, there are not that many countries that you would call repressive police state countries that would permit the kind of influence of our media that takes place every day in South Africa.

The kind of program recently conducted by Ted Koppel of ABC in South Africa is something that would not be easily done in a country like the Soviet Union.

Senator PELL. Excuse me, but it is certainly a police state when it comes to black citizens. They cannot even be called citizens, the black inhabitants.

I agree with you that from the viewpoint of the white inhabitants they are better off in South Africa than they are in the Soviet Union, but as a black man I would prefer, I think, to be in the Soviet Union than I would to be in the Republic of South Africa.

Mr. CROCKER. Senator, I would not want to make that judgment. But no one is making any excuses or apologies for the way the black majority is treated in South Africa. The system denied all fundamental political rights, and a lot of other rights as well. We certainly share that judgment. The question is, how do we encourage that to be brought to an end.

The Chairman. Thank you very much, Senator Pell.

Secretary Crocker, the other evening on the McNeil-Lehrer program I was asked to appear with Oliver Tambo, who is president of the African National Congress. He was in New York, I was in Washington, and it was mentioned we had had a joint appearance 4 years ago, discussing much the same subject.

The thing I found significant about Mr. Tambo's words on this occasion were the sense of bleak despair, and pressed by Mr. Lehrer who was the questioner. He indicated that he really was about the job of ending the Government of South Africa, that is by revolutionary means simply terminating the political power of that state and changing it into a situation in which, apparently, a black majority would form another government.

I think Mr. Lehrer was taken aback—at least he seemed to be—by such a frank answer on national television. And Mr. Tambo reiterated his statement. I recall that that was in fact his judgment about what should occur.

I mention that because I accept at face value the fact that that is certainly a part of the agenda of the African National Congress and perhaps others. And in due course, it may be successful.

I suppose that what we are looking at here in this committee is what type of policies our Government might adopt, even given the potential for extensive violence, if not civil war or substantial disruption, that would in any way affect this? It seems to me that most persons who take a look at this situation feel extremely inadequate to think of policies that, if things are really reaching that impasse, are going to make any difference.

On the other hand, the legislation that I have introduced at least starts out with the proposition that the very best constructive things we might do right now are for our country to indicate its interest in the development of the black citizens of South Africa in a very direct way, through educational resources, through training of teachers, through a whole host of humanitarian and human rights activities that Senator Kassebaum initiated in 1983 and that others have supported. There is a possibility in terms of a direct laying on of hands, even at this late stage, to make a difference in the lives of some blacks in South Africa, and we would hope many.

Then second, by encouraging through American firms who are there, the employment of blacks, higher wages, the possibility for legitimate organization of unions, a number of steps of that variety, that at least for that number of persons who are so employed, modest as that may be, there would be an intrusion that would be constructive into that government.

We have gone so far as to suggest the mandatory Sullivan principles simply because we believe that the Sullivan principles are important, that it is too late in the game to be temporizing with regard to some opting in and opting out, although I appreciate the point that you have made today that you do not share enthusiasm at this point for the mandatory principle, but I would hope that you would think through at least what we are about in a very broad sense.

We have suggested that it may be that South Africa, even after all is said and done, at least its government, will not show progress. And we have taken to heart Bishop Tutu's testimony that, with regard to disinvestment—I think Senator Kennedy made this point today not with regard to a whole host of other things, but disinvestment—that perhaps a 2-year period of time is appropriate.

Some pointed out during the last testimony that the clock has been running. It is now less than 2 years. But in any event, this committee by a vote of 16 to 1 at the time we marked up the Foreign Assistance Act commended the efforts of Senator Mathias and Senator Cranston and others who had taken the Bishop Tutu language and inserted economic sanctions, many of which are incorporated in the bill that has been cited by my colleagues this morning, Senators Cranston, Sarbanes, Kerry, and others, and said: 2 years down the trail, some of these may have to be applied in the event that South Africa has not moved.

I am inclined to think that is a reasonable course of action. One can always take the position that economic sanctions are not particularly effective, and I tend to take that position. I have stated that, even though I support our policy in Nicaragua as enunciated in the last 48 hours, that in fact, trade with Nicaragua was deteriorating anyway, and I fear trade with South Africa is likely to deteriorate under current conditions, and that the disinvestment cry may become academic and that firms may choose not to invest in a society in which there is bound to be large disruption and turmoil. And that whether there is legislation or not, economic forces may work in that direction.

This is why I do not ask for an additional comment on top of the one you have already made on our legislation this morning, because I understand your position. But at the same time, I am hopeful that a majority of the members of the Senate will come to a conclusion that a combination of positive humanitarian, educational, economic measures directed to black interests in South Africa, with the full goodwill of this country, plus at least the thought that if this does not work out that economic sanctions certainly are an option, effective or ineffective as the case may be, this combination at least might make sense as a policy for our country at this particular time.

I make all these points, having started out with the Tambo conversation. I accept the fact, having read an extremely interesting article in the "New York Times Magazine" section, I believe it was three weeks back, about young blacks in the townships, their sense of despair, their sense that really the possibilities for reconciliation are past at least in the minds of many, that almost nothing we do may make a difference.

But at the same time, it is important, I think, and you have testified to this, that South Africa is an important country strategically, in terms of the metals and minerals that are part of that. And I accept the fact also, as you have stated this morning accurately, that the press in South Africa is probably as free as any other country in Africa. There are many democratic institutions, even as Senator Pell has pointed out, if not widely shared, that at least are the vestige of something that it is important to preserve as opposed to seeing disintegrated.

We have a high stake, hopefully, in our policies. So I take my time this morning, really not to argue with you or to ask you to change your judgment right in the course of the hearing, but simply to state my own fervent hope that as we get into this and we compare the legislative alternatives and the possibilities for progress, that the administration might give more visible support and stronger support to our effort, because I think that might be helpful with many of our colleagues.

Mr. CROCKER. Senator, I appreciate those comments and the spirit in which they are made. It is very much our desire to work with the Congress toward a policy which clearly will have bipartisan support in this country. So in that sense, we are open to this kind of a dialog and exchange here today.

And I think I might just add a personal point, that these issues that we are talking about, which are profoundly moral and humanitarian as well as strategic, are ones that I personally have been grappling with all my adult life. I think it is for that reason perhaps that we all need to kind of reflect on what works and what does not work, and we want to work together with you.

The CHAIRMAN. Thank you very much, Secretary Crocker.

Senator Dodd, do you have questions this morning?

Senator DODD. I will withhold, Mr. Chairman, but I appreciate that. We were at hearings with Senators Kennedy and Weicker at the Banking Committee, and not having heard the testimony, I might submit something to Chet Crocker.

The CHAIRMAN. Let me, before we start additional questions—I want to recognize Senator Kassebaum again for a second round. It would be the hope of the Chair, in the event that we could get a quorum this morning, that we might consider the nomination of Vernon Walters to be Ambassador to the United Nations.

I want to mention that. In case any member has a strong objection to any such consideration, I would postpone that of course. But in the event—and I know of none—that we could have that confirmation, it would expedite that procedure.

We have present now seven members of the committee, and the Chair would endeavor to get two more so that we will have a working quorum, unless there is objection to that.

[No response.]

The CHAIRMAN. Senator Kassebaum.

Senator KASSEBAUM. Thank you, Mr. Chairman.

First, I would just like to say in response, Senator Sarbanes, to your comment that you wondered if Secretary Crocker was not isolated and removed, I personally have never found State in this area to be isolated and removed. I myself have struggled over the 4 years that I have chaired the African Affairs Subcommittee with the question of what would be the best answer to apartheid. I think all of us have done so, particularly as it has come to the fore in the last 6 to 8 months.

But it has been a tragic issue in South Africa for a long time. And I would like to say in response, Senator Kerry, to you that I think the demonstrations have had an impact. I think that all of that attention as it has been carried in the press and photographed shows indeed that this country is concerned.

But out of all of this, I think it is very hard to find what solution, what leverage, what policy would work best. There is a sense of despair, but I think it is not only political; I think it is economic. And as we wonder about sanctions, and investment, and new investment and so forth, I have come to strongly feel that that is not the best solution; that the growing economic conditions in South Africa and high unemployment are potentially just as much a part of this tragedy as is the political system itself, and they feed off of each other at this particular juncture.

So I do not have any really good answer other than to say I am not sure. Just because one does not have a ready answer to this does not mean one does not care. I think that for all of us who are concerned and those who are demonstrating, working together to try to come up with something we believe will work best for South Africa in forcing a change and in improving the economy of the black majority is what we are trying to do.

And I think in sorting out the pros and cons of the legislative agenda, I have many doubts. I think in many ways we are dealing with a very different situation than we are with Nicaragua. It is always difficult to compare one country to another, as when some make an analogy of Nicaragua and Vietnam.

I have always questioned trade restrictions, for instance the grain embargo against the Soviet Union at the time of Afghanistan, although I have supported the trade restrictions against Nicaragua. I believe that was far better than further covert action. At least we were up front in recognizing our relationship with the present Sandinista government.

But I think to say sanctions are going to change much in Nicaragua would be a serious flaw, just as I believe it would be in the South African situation. I don't know that I have heard anybody, either Senator Cranston or Senator Sarbanes or those who support sanctions, give a good compelling argument that they would change the South African Government's policy of apartheid.

And in the process, will we wreak such havoc with the economy that we are only forcing real tragedy there? That is what I think we have to answer ourselves as we try to press for a legislative solution.

Senator SARBANES. Would the gentlelady yield on that point?

Senator KASSEBAUM. I would be happy to.

Senator SARBANES. It is my view that the measures taken by the Congress in the past constituted a distancing of the United States from South Africa. They were measures taken against the opinion of the administration, but measures then cited by the administration in testimony to the Congress to demonstrate that the U.S. relationship with South Africa was not business as usual—Export-Import, IMF, and so forth—and they have had an impact. They underscored the fact that the United States was moving increasingly in the direction of taking further such steps if we did not get a response in South Africa.

I would argue that those had every bit, if not more, impact than the different approach which Mr. Crocker has suggested. Such measures have been taken.

Now to the extent change has come about, you can ask, did they help to bring it about? Did Crocker's indulgent policy help to bring it about? No one knows the answer to that, but I think you can make just as strong a case that they had an impact, and I think some of the measures before us now would have a comparable impact.

Senator CRANSTON. I would like to respond also, if I may. I am not sure what effect economic sanctions would have on the behavior of South Africa on apartheid at any given moment.

But I think that it is incumbent upon us, as a nation which is supposed to lead in the cause of freedom in the world and certainly the strongest democracy on the face of the Earth, to make plain what we stand for, to make plain our abhorrence of apartheid. We are not doing that now, and I think that is costing us dearly in the attitudes of blacks in South Africa and of many people elsewhere.

Furthermore, I do not think you always measure your actions by their chances of success. There are people who believe in freedom that have gladly sacrificed their lives in battles or engagements or endeavors that they knew probably would fail. But they were ready to stand up for freedom and to pay the supreme sacrifice for what they believed to be the right course, and to stand for what they believed to be correct rather than to ignore a situation or to flee from that situation.

And I think that is what the United States should do, even if it does not bring about the early change we would like to see in South Africa.

Senator KASSEBAUM. If I may just respond to that a moment, Mr. Chairman, that is true, but we will not be the ones who will suffer.

It is easy for us to sit here and say that. That is what troubles me; that is what I think we have to think through—who will be the ones who will end up suffering by our actions? Whether indeed they would have that much impact that the country could be so torn apart that it would force a crisis which may come anyway.

We have taken the debate among ourselves away from Dr. Crocker, but that I think does not indicate we do not care or should not. But trying to find the best answer frequently leads one into very tortuous and frustrated pathways.

I guess I would have to say, just speaking for myself, I have always believed until the South Africa Government itself came to realize it was in its own best self interest to make these changes, then they would never be successfully accomplished. And whether they can do that and do it in time it seems to me is the question, and what is our role in applying that pressure there? And I would agree, I think it has to be done in such a way that there is no misunderstanding on the part of the South Africa Government about our intent and our role.

Senator CRANSTON. Bishop Tutu has in effect said that he feels there is moral humbug in the statement that nothing should be done. He has urged in ways that he could that we should take action.

I think it is very unlikely that many blacks will lose their jobs because of this, since we are not proposing disinvestment. But suppose some do. As Lowell Weicker pointed out when he was before this committee the other day, there was some unemployment in the South of our country after the slaves were freed, but there would not have been the abolition of slavery and not social progress had not those who abhorred slavery made plain that it had to change, as we believe apartheid has to change in that country.

Senator KASSEBAUM. Thank you.

The CHAIRMAN. Thank you, Senator Kassebaum.

Just for the sake of trying to organize the hearing at this point, could I inquire of the Senators how many minutes of questions they would like to have on the second round? Because we want to make certain each has an opportunity. The Chair would like to gauge somewhat how long the hearing might continue.

Senator CRANSTON. I would like one more round.

Senator SARBANES. So would I, Mr. Chairman.

The CHAIRMAN. All right. Would 10 minutes be sufficient?

Senator SARBANES. Whatever we have been doing before, I think.

The CHAIRMAN. For each of you?

Senator SARBANES. Yes.

The CHAIRMAN. Senator Dodd?

Senator DODD. I would like to reserve 10 minutes.

The CHAIRMAN. Senator Kerry, would you like?

Senator KERRY. I would like to reserve it.

The CHAIRMAN. Senator Pell?

Senator PELL. Yes.

The CHAIRMAN. We may or may not get a quorum, and I deeply appreciate the cooperation of my colleagues, Senator Pell and each of those on the Democratic side, in making it possible for us to proceed if we do.

But at this point I will call upon Senator Sarbanes.

Senator SARBANES. Thank you, Mr. Chairman.

Secretary Crocker, I would like to ask you whether you have found the policy position you have pursued with respect to South Africa to be a difficulty or a handicap as you deal with the other African countries?

Mr. CROCKER. Senator, I think I would break that down into two parts, if I may. First, speaking generally about Africa as a continent of 51 nations, and then more specifically as concerns southern

Africa, I think we feel that there is throughout Africa a great desire that we, as leader of the West, use our influence to bring about as rapid as possible a change in South Africa such that the black majority may have full political participation in that country.

I think there is also a sense throughout Africa that we are held to the highest standard, and that a great deal is expected of us as a nation because of who we are and what we stand for as a polity. I think it is logical to expect, and we have found, that many of our African friends in fact hold us to a higher standard than anybody else in this respect. They want us to do more and we will not be surprised if they continue to always want us to do more.

Having said that, we do not hear many voices urging us to stop doing what we are doing or to pick up our bags and go home or to leave the place alone. That is particularly true, I might say, in the area of southern Africa, which I would like to turn to now.

I think above all what South Africa's neighbors wish to see is results. They in many respects are likely to hedge their bets until they see what the results are. They worked with us very closely on our regional negotiations. We could not have proceeded as far as we have without having the closest kinds of diplomatic contact and dialog on an almost daily basis with the key leaders in southern Africa.

Senator **Sarbanes**. Well, now, would you say that Mozambique is carrying out the Nkomati accords?

Mr. **Crocker**. That Mozambique is?

Senator **Sarbanes**. Yes.

Mr. **Crocker**. Yes, I would, Senator.

Senator **Sarbanes**. Would you say that South Africa is carrying them out?

Mr. **Crocker**. Yes, I would, Senator.

Senator **Sarbanes**. Where is Renamo getting its support to continue the assault on the Mozambique Government?

Mr. **Crocker**. It is a complex picture which is not easy for us to read, even with all the information that we as a government have available to us, Senator. But let me try to be as clear as I can.

There has been, without any question, some continuing activity which I would call private or unauthorized from South African territory, which the South African Government in recent months has been explicit in recognizing and seeking to come to grips with. As you know, there is a very large——

Senator **Sarbanes**. Would you say that the Nkomati accords oblige the South African Government to bring the support coming from South Africa under control?

Mr. **Crocker**. Yes. Yes, I would, Senator.

Senator **Sarbanes**. Do you think they have yet done it?

Mr. **Crocker**. It is our impression that the private situation I have just described is being brought under control. That is the way I would try to define it today.

Senator **Sarbanes**. Will it be brought under control before it succeeds in destabilizing Mozambique?

Mr. **Crocker**. Clearly that is our policy, that it be brought under control.

Senator SARBANES. I understand that, but that is not my question. My question is what you expect to happen.

Mr. CROCKER. I think the answer is that there is a good chance that this is going to work. There has been difficulty, but there has also been progress. There is, I might point out, a complex aspect to the situation. There are a number of Portuguese citizens living in South Africa, many of whom have close ties with Renamo historically. There are connections in Europe. There are connections through other African countries which have brought support to Renamo to some degree, and we have some reason to believe that is the case. So it is not simply from one place.

The third point I would make, Senator, is that much of what Renamo lives off of in fact is captured. There is a lack of security and effective administration in many areas of Mozambique, and I think the resistance movement lives off of that to some degree.

Senator SARBANES. Let me turn to Namibia. How does the action which South Africa took a couple of weeks ago fit into the effort to resolve the Namibian situation consistent with UN Resolution 435?

Mr. CROCKER. You are referring to the announcement about the MPC proposals of several weeks ago?

Senator SARBANES. Yes.

Mr. CROCKER. Senator, we obviously had nothing to do with those proposals. We have made clear what we felt about them as they concern the international negotiation. Namely, that any results from such proposals will have no impact on the negotiating agreements of the past that have been already achieved, that any such powers transferred will not be recognized by us, and we believe that is true also for any other members of the international community.

Therefore, they are without effect, null and void, and irrelevant. We obviously did not write those proposals, and I think that is basically the position, Senator.

Senator SARBANES. Now at the outset of your tenure, you were critical of your predecessors as having spent time on Namibia and coming up with a goose egg, since they got an agreement in principle but not any implementation. Would you say that this comment could equally apply to your results after 4 years?

Mr. CROCKER. Senator, we have taken a somewhat different approach to achieving——

Senator SARBANES. First of all, I am not unfair in my statement of your characterization of your predecessor's policy, am I?

Mr. CROCKER. I do not know if I ever used the word "goose egg," Senator. I think what we tried to indicate is that the U.N. plan, Resolution 435 is a noble accomplishment. In fact, we have worked on the basis of it. It is a very valuable and important achievement. The only problem was, it was not being implemented.

Senator SARBANES. What would you say the problem is today, 4 years later?

Mr. CROCKER. We have been seeking the key to implementation. In our view, that is an agreement on the question of the Cuban withdrawal from Angola. We believe that is the only remaining condition to a settlement. That position has been reiterated to us repeatedly by the South African Government.

Senator **Sarbanes**. Is it your own impression that if the Angolans were assured about their security the Cuban withdrawal could be accomplished?

Mr. **Crocker**. Yes, it is our impression that the issues of security are fundamental in this negotiation, as you put it. That is exactly right. And we are seeking to narrow the differences between the Angolans on the one hand and the South Africans on the other precisely on those questions.

I cannot say here today that we have a solution in hand, but we have an agreement in principle on a number of important points. The fact that the Cuban issue is accepted, I think on all sides as part of the package, is clearly a major step. We are in consultation now with both sides about how to narrow the gap.

Senator **Sarbanes**. It seems to me that unless we address that question, the opportunity to get the Cubans out may pass us by. There is clearly an opportunity now to get the Cubans out, is there not? Has not Angola been forthcoming on that question?

Mr. **Crocker**. Senator, I think, given our role as a mediator here, that it would not be appropriate for us to align ourselves with the stated positions of either side. As you know, both Angola and then shortly thereafter South Africa published a position on the question of the timing of a Cuban departure.

It is true, Angola has made a proposal, an offer if you will. It is also true that South Africa has counterproposed. The two sides are fairly far apart on the timing, and we are trying to narrow that gap.

Senator **Sarbanes**. I accept that response.

Let me pursue, though, the idea that that raises in terms of a mediating role and the need to be talking to both sides. Is it correct that the leaders of the United Democratic Front refused to meet with you on your trips to South Africa this year?

Mr. **Crocker**. We have had contact with them on various visits, Senator.

Senator **Sarbanes**. No, that was not my question. My question was whether they refused to meet with you on your trips to South Africa this year, leaders of the United Democratic Front.

Mr. **Crocker**. I would have to check the record. It seems to me that I have met with them this year, but there was one occasion on which it was not possible to meet, and exactly what the reason was I cannot say.

Senator **Sarbanes**. You do not sense that the identification of your policy as indulging the apartheid regime is crippling your ability to talk with black leaders in South Africa or in other African countries? You do not sense any impact of that sort?

Mr. **Crocker** On the latter part of the question, I do not sense any. On the former part of your question, I think our mission, our various U.S. officials and myself included, have had many, many contacts with various elements in the black community, both in South Africa——

Senator **Sarbanes**. No, I do not want to broaden it out beyond you. You are the Assistant Secretary and you are clearly perceived as the architect of the policy. You have been very explicit and active about it, and I want to get some sense of whether your ability to function effectively as the chief, policymaker within the Government on African policy is being impinged upon or undercut by the identification that is made with respect to you and your policy, an identification which makes it impossible for you to maintain the necessary contact and discussion with black leaders in South Africa or elsewhere in Africa.

Mr. CROCKER. I think the answer has to be "No," Senator. I do not feel it is impinging negatively on our ability, on my personal ability or that of my colleagues.

And if I could just add a point, with your indulgence, I think it is perhaps convenient for people to personalize this sort of an exchange, but obviously I feel I am conducting the President's policy. The President has been involved in this policy, including the regional as well as the bilateral dimensions of it, from the outset of this administration.

I do not sense that there was any reluctance on the part of Bishop Tutu or others to meet with President Reagan when he was here in this country. So I think that is really the important focus. This is not something that is being cooked up in some back alley someplace. It is the administration's policy.

Senator SARBANES. Finally, I would just ask, how you spend your own time and effort, in terms of focus and attention of on the whole range of African issues? Can you just give a rough approximation in percentage terms?

Mr. CROCKER. I guess I would put it this way. The way the Bureau of African Affairs is structured, we spend a very substantial percentage of our time as an organization on problems throughout the region, economic problems, political problems, and so forth.

We obviously have some division of labor. I am expected to and do keep abreast of what we consider to be the top issues, and I get involved in them whenever it is necessary for me to be, whether it is South Africa or elsewhere.

As a practical matter to your question, I probably spend something over 50 percent of my time on southern African issues, in the broadest sense of southern Africa, from Zaire on south.

The CHAIRMAN. Thank you very much, Senator Sarbanes.

At this point the Chair would like to raise again the confirmation of Vernon Walters to be U.S. Ambassador. Senator Pell and I have conferred and staff have conferred. There are seven members of the committee here. We both recognize that that is two short of a quorum of nine.

But I would like to propose, if I have unanimous consent, a procedure in which those who are here would vote on that confirmation and the roll would be left open for the rest of the day, subject to recognition on the part of both majority and the minority that a point of order could lodge against the fact that that vote occurred without nine persons there. And in the event that such a point of order is raised, the Chair will recognize it and the vote will be invalidated.

I suggest this procedure because of the urgency of having a U.S. Ambassador and the fact that the committee has no, I think, foreseeable opportunity to have a quorum for several days in time.

Senator SARBANES. Mr. Chairman, could we not make an extra effort to get other members here? I have no problem on the particular, but I think we are starting down really a treacherous path on procedure. Those of us who are here can probably stay for a few minutes, and if some effort could be made to produce a couple of other Senators, we would have our quorum and we would have no problem.

The CHAIRMAN. I would suggest that that effort has been made. I think we probably are at the maximum peak, and Senators are asking me for the point at which the vote is going to occur so that they might leave.

I recognize the point you are making. I think it is a serious one. I think it is serious enough that, if you feel that way, we probably will not have the vote, and we will try to pull together our quorum at another time, because I do not see that it is going to be possible for us to get the nine in this session.

Senator PELL. I would add here that I feel a little ambivalent, because I also raised the same point that the Senator from Maryland did; but I recognize the question of the urgency of the—not the urgency, but the desirability of moving on this, and recognize the question of comity involved.

But there is a very real merit to what the Senator from Maryland says, and I think if that is the majority view of the minority that we should accept that fact and make a quorum—or perhaps we could do it right off the Senate floor after the next vote.

The CHAIRMAN. Well, I think the point is well taken. I am not going to cry wolf unduly. I think this is an important nomination. This is not an emergency. If it was, I would so characterize it and perhaps ask the indulgence of everybody in a different way. This would be a good thing to do, but it is not an emergency. So we will not have the vote presently.

We will attempt to get a quorum on a subsequent occasion.

Senator PELL. I might suggest in that regard, you might want to do it after the next vote in the Foreign Relations Committee room on the——

The CHAIRMAN. We will do our best. I am not sure what is possible. Hopefully we will have another vote today at some stage, but one cannot be certain of that.

I thank all members, in any event, for their effort to come. Senator Evans, I appreciate your coming in; Senator Kerry, Senator Pell, for staying.

We will proceed now to Senator Cranston for his questions.

Senator CRANSTON. Thank you, Mr. Chairman. I want to thank you for the fact that we now have a markup scheduled on this. I am glad we made that progress.

Mr. Secretary, critics have charged that you constantly seek the views of the white minority government and U.S. corporate interests in South Africa, but that you have very poor contacts among the 23 million South Africa blacks. One specific question: When did you last meet with Bishop Tutu?

Mr. CROCKER. Senator, I think I would have to get that to you for the record. But it may have been during his visit here in Washington.

Senator CRANSTON. It may have been when?

Mr. CROCKER. During his visit here in Washington.

[The information referred to follows:]

CROCKER TUTU MEETING

Senator Cranston inquired when Assistant Secretary Crocker last met with Bishop Tutu. That meeting occurred on December 7 of last year, with the President and Vice President, in Washington, DC.

Senator CRANSTON. Have you had frequent contacts with him?

Mr. CROCKER. Yes, we have kept in touch over the years, Senator.

Senator CRANSTON. You, yourself?

Mr. CROCKER. Yes.

Senator CRANSTON. Have you ever been paid as a consultant by U.S. corporations with financial holdings in South Africa?

Mr. CROCKER. Prior to this current assignment, which I have had since 1981, I have indeed, yes, sir.

Senator CRANSTON. What corporation was that?

Mr. CROCKER. I think that is listed in my ethics form, Senator. It includes a number of major U.S. firms. I can get that again for the record, if you wish.

Senator CRANSTON. I assume that you agree that the future interests of the United States in South Africa lie in a mutually beneficial relationship with the black majority that will inevitably come to control their own destiny at some time. I would like to ask what you would be doing—what do you think you would be doing today if you were a young black in South Africa living in that country?

Mr. CROCKER. Senator, you pose a most difficult question there, but a very important one. I think one of the things we are seeing that is going on from all the reports in South Africa is such an extraordinary amount of ferment, in which many blacks are asking themselves precisely that question. There are obviously options. Some people in the past have left the country. More who have left have returned. There are in fact many organizational opportunities that exist today that did not exist before.

Senator CRANSTON. What do you think you would be doing?

Mr. CROCKER. What I would be doing, given where I sit and where I come from philosophically, would be trying to find the best way, the best organizational base from which to work, to argue for, to fight for, to struggle for what I believe in, which is my share, which is the right to participate in everything as an equal citizen of my homeland.

Senator CRANSTON. How do you think you would feel about the U.S. Government? Would you identify it with your cause as a member of the oppressed majority or with the powerful white minority, given our present policy?

Mr. CROCKER. I think I would look at the situation of external influence, including U.S. influence, as one that should be tested by its results. I think you find a good deal of evidence—I certainly have—of people being quite prepared to recognize the constructive relevance of us being there rather than not being there.

I have not heard a major black leader in any aspect of South African life, whether it is religious or trade unions or others, say that they wish us to go home, say they wish us to go away. I do not think our flag is flying low in South Africa today. I think we are part of a controversy.

Senator **Cranston**. Well, I think that is another diversion. We are not really talking about going home.

Would you agree that one of the most fundamental principles of our Nation is to support majority government through the consent of the governed?

Mr. **Crocker**. We stand for that I think on a worldwide basis. We believe in democracy. We believe in human rights.

Senator **Cranston**. And that one of our roles is to try to bring that about where we can by appropriate means?

Mr. **Crocker**. Yes, Senator.

Senator **Cranston**. Do you see any prospect of the white Pretoria regime of 4 million whites yielding this fundamental right? This of course is the key issue in South Africa. All other issues are subordinate to it. Do you see any prospect of the yielding of that right to the 23 million black majority, the right to vote for their own leadership and to have a voice in their own destiny, in South Africa?

Mr. **Crocker**. Senator, I do not think we could make a reply to that based on our judgment of the intentions of the current government or the intentions of the people who support it. Our judgment would have to be based on the options that are built into the situation, the structure of the situation itself, which increasingly inevitably is pressing toward basic political change.

All we have seen to date are generalized statements of principle, for example that there must be opportunities for black political participation at the highest level, that the issue of citizenship must be addressed. I think what people are hinting at here is a form of power sharing of some kind.

But to expand further and to be a bit more substantive in response to your important question, Senator, I guess I would simply say this: I think that those involved in the white community who are looking at these issues of change are deeply concerned by what they look at to be the question of winner-take-all political models. They are looking for some basis to identify what happens to the minorities, including themselves, of course.

But I think the short answer to your question has to be, this is inevitable. What you are talking about is inevitable, that blacks gain full political participation in South Africa.

Senator **Cranston**. When?

Mr. **Crocker**. The question is how.

Senator **Cranston**. When? How and when?

Mr. **Crocker**. I do not think that it would be appropriate for us to be identifying when we think—when we can predict that that will happen. There have been many erroneous predictions in the past, but clearly the timetable is accelerating.

Senator **Sarbanes**. Would the Senator yield?

Senator **Cranston**. Surely.

Senator **Sarbanes**. Would you agree that the longer it takes, the less likely it will be that the shift to majority rule will be able to be done in a way that would accommodate minority rights?

Mr. **Crocker**. I think I would want to think carefully about that proposition. It sounds logical, because in effect what you are saying is that people who are prepared to negotiate today may get a more successful negotiation from their standpoint than if they wait too long. On the face of it it looks like a logical proposition.

Senator CRANSTON. I would like to go into a few of the 12 points that I started out dissecting this morning that you have advanced. Let us start with number seven, your opposition to economic sanctions because they would set a bad precedent. Do you want to retract that argument in light of the endorsement of trade sanctions against Nicaragua?

Mr. CROCKER. When we are talking about precedents, we are talking about a number of things. Of course the issue of trade sanctions is not under discussion in the South African case as far as I am aware. We are talking about investment sanctions and banking sanctions, sanctions against the transfer of capital and the free movement of capital. I think that is really what we have most particularly in mind when we use the word "precedent."

It is not our policy and it has not been I think in the past for any administrations that we want to be involved in trying to rig or manipulate the free flow of capital and the functioning of the capital markets.

Senator CRANSTON. I think it is rather ironic that the Reagan administration is opposing sanctions toward the racist regime of South Africa, but supporting sanctions against the regime in Nicaragua.

On another of your points, you set up the straw man of disinvestment in point four as one reason to reject the Anti-Apartheid Act. Are you aware that the bill contains no provision forcing divestment of existing U.S. holdings?

Mr. CROCKER. Well, certainly I am aware that the bill does not. I think what we tried to say and I said in my opening comments today is that there really is a very narrow distinction, if any, between a freeze on investment and the practical consequences of that which are likely to be, as they have been in the Swedish case, significant disinvestment over a relatively short period of time. In 5 years, the Swedish investment stake in South Africa has gone down substantially as a practical consequence of an official freeze.

Senator CRANSTON. Disinvestment is very different from barring new investments, and our bill also permits reinvestment of in-country profits. It tilts in the other direction. I think you should take that into account and stop talking about disinvestment when you are outlining your opposition to this legislation.

You assert in point four that we must not impose any economic sanctions because they might hurt the black majority. I trust you are aware of Bishop Tutu's statement on that issue indicating that he thinks we should take some steps. Do you reject his position?

Mr. CROCKER. As I understand the position that he espoused on his return to South Africa after some time here, it was that he spoke of a timeframe after which, if there had not been movement, he would be in favor of such measures, without being precise as to which ones, but in principle. That is what we understand to be his position.

Senator CRANSTON. Do you think we should have taken a substantially longer period of time to come to grips with the issue of slavery in our country?

[Pause.]

Mr. CROCKER. Senator, I do not wish to get bogged down in a debate about our own past, but I do not think that we have really a fair parallel here. The South Africa system is abhorrent. It denies many kinds of opportunity to the majority, particularly political as you have stressed, which is the most important.

It is also a country which attracts over a million foreign workers from neighboring countries every year, and I do not think those workers feel that they are volunteering for slavery. So I really, with respect, must make that point.

Obviously, I think President Lincoln knew it best when he decided what came first, which was to reunify the country. But clearly, when something is as abhorrent as that, you want to move as quickly as you can.

Senator CRANSTON. South Africans do use the word "slavery 'in describing their condition, and Senator Kennedy told us about seeing a man forcibly removed from his own home, forced to live somewhere in a barracks, allowed to see his family for a week or two a year elsewhere, and paid a pittance, unable to save more than a couple hundred dollars over 20 years that that man has been working under those circumstances.

That is a modern form of slavery. I think it is abhorrent for the United States to associate in any way with that sort of an abhorrent policy.

Thank you very much.

The CHAIRMAN. Thank you very much, Senator Cranston.

Senator Dodd.

Senator DODD. Thank you, Mr. Chairman.

Let me pick up on the response you had to Senator Cranston's question about the inevitability, which I do not think you will find an argument with at all. I think there is an inevitability to this. I do not think there is really any debate on that point.

The question is: What is inevitable? And what actions is the South Africa Government taking in a comprehensive way to deal with the issue? I get the feeling, Mr. Secretary, that what the South Africa Government is doing is approaching this issue on an ad hoc basis. I get no sense of any kind of comprehensive plan.

If I did, while I might disagree with the pace of the plan or the provisions of the plan, that would be one thing. But my sense of it is that there is no broader approach to all of this, merely a series of responses to statements or actions taken by this government or others over the years.

Would you disagree with that, and if so would you care to characterize, as briefly as you can, what that comprehensive plan is?

Mr. CROCKER. Senator Dodd, I believe that the South African leadership is aware realistically about the pressures that it faces.

Senator DODD. I am sorry? I did not hear the first part.

Mr. CROCKER. The South African leadership is aware realistically that the pressures it faces can only grow, and in that sense is seized with the issue. It is aware of the amount of purchasing power in black hands today and which, by the year 2000 will be even more clearly in black hands, the vital role of blacks in the economy as workers, and also as managers increasingly, the ability of the black population to deny what they can contribute and in fact to tie up the system.

I would not conclude that there is a governmental plan or a grand design. I am not sure that we in this room should be heartened if there were such a plan, because we may be beyond the point where a plan by the government itself, a plan from one side, could lead to real progress on the most basic constitutional issues about the future of South Africa.

Some observers—and here I just throw it out as an observation—some observers have said in fact that one of the encouraging things in the current debate is the government's proclaimed intention to negotiate, which can be interpreted as a recognition that nothing that is simply announced by government will do it, will work, because if it is simply announced by government it will be rejected by the majority.

But there are some general ideas that we keep hearing about. I would not call them a comprehensive plan. We hear talk about power sharing. We hear talk about devolution of powers, decentralization.

Senator DODD. My problem with that—and I appreciate your response with regard to the specifics of what happens with the plan, is that it came from one side and so forth. I am speaking for myself here, but it says volumes to me about the inevitable response. While there are certain pitfalls by expressing what your long-term intentions and goals are, or short-term intentions and goals are, it certainly would contribute significantly, I think, to the arguments that have been made by the people in this country and their own that they are ultimately going to have to deal with this problem.

I think we all recognize that. I think the fear is, what we mean by ultimately dealing with it is such massive bloodshed in a wrenching, highly destructive civil war in that country, and that will be the inevitability, not these well thought out political plans that will ultimately allow for full integration of the majority population of that country.

My gut feeling is that there is—not only an absence of a plan, but the absence of that good faith to want to deal with this issue. The only reason we get any kind of movement at all has been because Presidents of both parties, whether it has been rhetorical in the case of President Nixon or specific in the case of President Carter—and I would still like to get an answer to the question I raised a week or so ago. How often has President Reagan addressed this issue in his weekend radio addresses, the question of apartheid.

I asked that and I presume at some point we will get an answer, not because I am going to do a matchup of numbers, but I think it is a question again of commitment to this by the United States as a way of resolving it.

I suspect, frankly, that had the President been as vociferous about his abhorrence of the issue in South Africa as he has been about his abhorrence to what is happening in Nicaragua, that we probably would not have a resolution in front of us today; that it has been this sense that not only is the Government of South Africa not fully committed to trying to deal with this problem, however much some of us may disagree with the specifics of that plan, but the total absence of any plan at all, says there really is no intention to deal with this issue except with what they can get away.

And the absence—and I do not say this about you, because you have labored more hours than anyone I know, and I happen to have a high regard for you and your knowledge of this specific issue. But the silence, the silence of the President of the United States on this issue, is what I think has contributed significantly to the reaction we are getting. It is that vacuum that I think creates this kind of a turmoil here.

I appreciate your response on the question of the comprehensive nature, and I still would like for my own purposes to see a comparison of the number of speeches given by the administration on this issue.

Just this last point. I understand—and you correct me if I am wrong here—that the present Government of South Africa has hired additional personnel and so forth to try and combat the various bills that are kicking around here. I presume they find all of them obnoxious, and, in fact, the Botha government has been very complimentary to members of the progressive federal party and others who have come here with whom it has internal political disagreements, but has been grateful to them for their expressions of opposition to sanctions proposed in this country. This may be the case; and yet we still hear that the sanctions will have a minimal or negligible effect on the country. How do we reconcile those two—the statements that they will have a negligible effect and yet the activity by the government to hire people to oppose anything we may do here?

Mr. **Crocker**. Senator, you have touched on a number of points. I think you are really only asking me one question, rather than a broader comment.

Senator **Dodd**. You can respond to those other comments, and I presume that will run out my time anyway.

Mr. **Crocker**. On the last question you put, though, I think it may look ironic on the surface, but in practice I guess I would reply this way.

The South African leadership, I think the white majority generally, sees itself as historically connected to the West and is deeply interested in and concerned about the opinion of the West and does not wish to be rejected by the West, and in fact wishes the contrary.

It also wishes for things to be acknowledged if there is something positive, as well as things to be condemned when there are things that are negative. In that sense, I think there is a sense that the clocks of our two countries are not synchronized, because there are many who believe, as Bishop Tutu himself has said, that the current State President of South Africa is a man of courage who is grappling, however inadequately, with the problem. So there is that sense.

Having said that, I do not believe that one can predict that apartheid's demise will be accelerated because of some measures which are pinpricks, others which could be more damaging to the economy of South Africa and could lead to perverse consequences.

We have seen that historically before. That is the point we sought to make last week. We have some sanctions on the book. I do not think one can say that they have produced the kind of result that we are all looking for. They have included some negative results. South Africa today is far more self-sufficient than it was 10 years ago, in part because of both sanctions and the threat of sanctions.

If I could reply to one other point you made about inevitability, Senator, it seems to us that basic change is inevitable. We agree with that. I do not think we have concluded, and would want to think very carefully before reaching any conclusion, that violence or massive violence of the kind you are suggesting is inevitable.

Clearly, it has got to be in our interest to try and avoid that.

Senator DODD. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Dodd.

Just for the record, Secretary Crocker, Senator Dodd, do you know who has been employed by the South African Government? Have persons or firms? Should Senators be aware?

Senator DODD. It was a question raised by staff, that staff put together here, that piqued my curiosity. I was not aware of that myself. That is the reason I raised the question. Has that been the case?

Mr. CROCKER. There are a number of registered foreign agents for the South African Government. We can get you a full list on that.

Senator SARBANES. I think it would be helpful.

Senator DODD. I think the chairman's question is: Are there additional or new new people that have been brought on? That was the gist of my question. I know there are people who are registered agents. They have been by the office any number of times. I wonder if there are newer people.

The CHAIRMAN. Perhaps I will have to inquire of staff.

Senator SARBANES. If the Secretary would provide that list he just made reference to, I think it would be helpful, Mr. Chairman.

The CHAIRMAN. Yes, it would be helpful to ascertain.

[The material referred to follows:]

MOST RECENT REGISTERED FOREIGN AGENTS OF SAG

Attached is a list of registered foreign agents of South African entities from the latest report of the Attorney General to the Congress on the administration of the Foreign Agents Registration Act, as amended for the calendar year 1983.

Since 1983, only four other agents have registered; they are:

GOVERNMENT OF SOUTH AFRICA

John P. Sears No. 3584 (Registered on May 9, 1984), 818 Connecticut Avenue, NW., Washington, D.C. 20006

Registrant advised foreign principal as to the EAA of 1984. Also discussed disinvestment-reinvestment issues with appropriate U.S. officials. $378,986.41 for 8 month period ending November 9, 1984. No political propaganda reported.

REPUBLIC OF TRANSKEI

Transkei Information Bureau, No. 3618, 1511 K street, Suite 733, NW., Washington, D.C. 20006

Department of Foreign Affairs, UMTATA. The registrant promoted tourism and foreign trade on behalf of the foreign principal. $24,469.68 for the period ending October 3, 1984. Political propaganda—None reported.

SOUTH AFRICAN SUGAR ASSOCIATION

Surrey and Morse No. 2649, 1984, 1250 I Street, NW., Washington, D.C. 20006.

Registrant provided legal services to foreign principal including analysis and reporting on U.S. Government actions involving sugar imports and exports. $8,018.74 for period ending July 5, 1984. No political propaganda.

REPUBLIC OF VENDA

Jay Parker and Associates, Inc., No. 802, 1735 DeSales St., NW., Washington, D.C. 20036.

Registrant monitored media, discussed trade and investment in Venda. $21,233.38 for 6 month period ending April 15. Political propaganda: Reported distributing brochures.

REPUBLIC OF SOUTH AFRICA

AFRICAN NATIONAL CONGRESS OF SOUTH AFRICA

African National Congress of South Africa, No. 2354, c/o Johnston Makitini, 801 2nd Avenue, No. 405, New York New York 10017.

The registrant received invitations from the media, various universities and churches to speak on the situation in South Africa.

$58,220.00 from various sources for the six month period ending January 17, 1983.

Political Propaganda: None Reported.

GOVERNMENT OF SOUTH AFRICA

Baskin and Sears, P.C., No. 3184, 818 Connecticut Avenue, NW., Washington, D.C. 20006.

Registrant monitored and reported legislative and electoral developments of concern to the foreign principal. Registrant also briefed the foreign principal in preparation for meetings with U.S. officials and journalists.

$500,000.00 for the 12 month period ending July 6, 1983.

Political Propaganda: None Reported.

REPUBLIC OF SOUTH AFRICA

Bill Hecht and Associates, Inc., No. 3445, 499 South Capitol Street, SE., Suite 501, Washington, D.C. 20003.

Registrant organized and participated in meetings at the South African Embassy attended by U.S. Government officials. Registrant visited South Africa on a familiarization basis.

$100,000.00 for six month period ending August 18, 1983.

Political Propaganda: None Reported.

CHRISTIAN LEAGUE OF SOUTHERN AFRICA

Arthur E. K. Brenner, No. 3188(T), 1012 City Avenue, Philadelphia, Pennsylvania 19151.

Activities: None Reported.

Finances: None Reported.

Political Propaganda: None Reported.

FERRO ALLOY PRODUCERS ASSOCIATION OF SOUTH AFRICA

Busby, Rehm and Leonard, P.C., No. 2923, 1629 K street, NW., Suite 1100, Washington, D.C. 20006.

Registrant informed the foreign principal on legal proceedings before the Department of Commerce regarding Section 232 of the Trade Expansion Act of 1962.

$1,273.92 for the 12 month period ending November 27, 1983.

Political Propaganda: None Reported.

SOUTH AFRICAN TOURIST CORP.

Ellis Associates, No. 2617, 304 East 42nd Street, New York, New York 10017.

Registrant wrote and distributed tourist-feature and news articles and other information, and arranged tour itineraries in South Africa for travel writers.

$58,800.00 for the 12 month period ending October 15, 1983.

Political Propaganda: None Reported.

INKATHA YENKULULEKO YE SIZWE (NATIONAL CULTURAL LIBERATION MOVEMENT)

Dr. Lorna Hahn, No. 3339(T), 1740 R street, NW., Washington, D.C. 20009.

The registrant arranged appointments for Chief M. Gasha Buthelezi during his visits to Washington, D.C.

$1,150.00 for the six month period ending March 2, 1983.

Political Propaganda: None Reported.

FERRO ALLOY PRODUCERS' ASSOCIATION

John C. Hall, #2961(T), Post Office Box 550, Johannesburg, South Africa 2000.

The registrant appeared before an interagency Trade Policy Staff Committee and other officials of the agencies of the executive branch who were responsible for advising the President concerning the foreign principal's position on the importation of high-carbon ferrochrome.

Finances: None Reported.

Political Propaganda: None Reported.

EMBASSY OF SOUTH AFRICA

Kimberly Cameron Hallamore, #3098, 1725 K Street, N.W., Washington, D.C. 20006.

Registrant consulted with the Ambassador and staff of the Embassy, and suggested names of people to be included in seminars and mailing lists. Registrant also arranged an interview of Ambassador Fourie via the U.S. Chamber of Commerce's Biznet T.V. broadcast system.

$63,000.00 for the 12 month period ending October 8, 1983.

Political Propaganda: None Reported.

SOUTH AFRICAN CONSULATE, NEW YORK

Image Industries, Inc., #2643, 14 Buttonwood Drive, Somerset, New Jersey 08873.

Activities: None Reported.

Finances: None Reported.

Political Propaganda: None Reported.

INTERNATIONAL GOLD CORP. OF SOUTH AFRICA

International Gold Corporation, Ltd., #3482, 645 Fifth Avenue, New York, New York 10022.

Registrant contacted members of Congress and U.S. Government officials in order to discuss pending legislation to ban importation of Krugerrands into the U.S.

$17,805,555.00 for the six month period ending December 15, 1983.

Political Propaganda: None Reported.

INTERNATIONAL GOLD CORP. LTD.

Kirkpatrick, Lockhart, Johnson & Hutchison, #3486, 1500 Oliver Building, Pittsburgh, Pennsylvania 15222.

Registrant met with members of Congress and their staffs regarding Section 322 of H.R. 3231, which would restrict the marketing of Krugerrands in the U.S.

$64,812.10 for six month period ending December 15, 1983.

Political Propaganda: None Reported.

AFRICAN NATIONAL CONGRESS OF SOUTH AFRICA

Madumane Morwamokwene Matabane, #3029, 6804 Wilburn Drive, Capitol Heights, Maryland 20743.

The registrant spoke at several colleges in the U.S., organized the progressive student alliance and participated in a community meeting in Washington, D.C.

$4,800.00 for the 12 month period ending December 12, 1983.

Political Propaganda: None Reported.

SOUTH AFRICAN CONSULATE GENERAL

North American Precis Syndicate, Inc., #2836, 201 East 42nd Street, New York, New York 10017.

Activities: None Reported.

Finances: None Reported.

Political Propaganda: None Reported.

SOUTH AFRICAN TOURIST CORP. (C/O ELLIS ASSOCIATES)

Activities: None Reported.
Finances: None Reported.
Political Propaganda: None Reported.

CONSULATE GENERAL OF SOUTH AFRICA

Marilyn Edith Perry, #2731, 405 Park Avenue, Suite 1102, New York, New York 10022.

Registrant arranged for the broadcast of a television interview with the Consul General.

Finances: None Reported.
Political Propaganda: None Reported.

FRANS MEISENHOLL

Plaia, Schaumberg & deKieffer, Chartered, #3223, 1019 19th Street, N.W., PH II, Washington, D.C. 20036.

The intitial registration statement indicated that the registrant would contact appropriate U.S. Government officials concerning discretionary immigration matters, both directly and through cooperation with other registered agents.

Finances: None Reported.
Political Propaganda: None Reported.

EMBASSY OF SOUTH AFRICA

Public Service Audience Planners, #2452, 5107 Douglas Fir Road, Calabasa, California 91302.

Registrant promoted and distributed films on behalf of the foreign principal.

$30,111.61 for the 12 month period ending August 23, 1983.

Political Propaganda: None Reported.

SOUTH AFRICAN TOURIST CORP.

Registrant promoted and distributed films on behalf of the foreign principal.

$68,250.00 for the 12 month period ending August 23, 1983.

Political Propaganda: None Reported.

INTERNATIONAL GOLD CORP. LTD.

Rubenstein, Wolfson & Company, Inc., #3517, 220 East 42nd Street, New York, New York 10017.

Registrant provided public relations services to the foreign principal for the purpose of promoting investment in Krugerrands by North Americans.

$58,991.24 received prior to initial registration.

Political Propaganda: None Reported.

REPUBLIC OF SOUTH AFRICA

Smathers, Symington & Herlong, #3099, Suite 400, 1700 K Street, N.W., Washington, D.C. 20006.

Registrant contacted U.S. Government officials and advised and counseled the principal on matters of foreign and domestic policy which could impact on United States-South African relations.

$227,924.73 for the 12 month period ending October 11, 1983.

Political Propaganda: None Reported.

SOUTH AFRICA FOUNDATION

South Africa Foundation, #2111, 1225 19th Street, N.W., Suite 620, Washington, D.C. 20036.

Registrant sponsored visitors to South Africa from the United States and contacted U.S. Government officials to promote international understanding of South Africa's achievements, problems, and potential.

$175,569.60 for the 12 month period ending November 21, 1983.

The registrant engaged in communication with various authors, editors, newspaper journalists and media representatives, and made appearances before civic, academic and business groups, and on radio and television.

THE BOARD OF CONTROL, SOUTH AFRICAN TOURIST CORP.

South African Tourism Board, #603, (formerly: South African Tourist Corporation), 747 Third Avenue, New York, New York 10017.

Registrant maintained an information center to assist the general public and travel agents in planning trips to South Africa, and acted as the representative of the principal at official functions.

$1,909,000.00 for the 12 month period ending December 31, 1983.

Political Propaganda: None Reported.

DEPARTMENT OF FOREIGN AFFAIRS AND INFORMATION

Spencer-Roberts and Associates, Inc., #3446(T), 17692 Cowan Street, Irvine, California 92714.

Registrant provided counsel and advice to the Ambassador of South africa regarding Congressional and executive branch reactions to current events in South Africa. Registrant attended meetings and briefing sessions at the South African Embassy.

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Political Propaganda: None Reported.

FERRO ALLOY PRODUCERS' ASSOCIATION OF SOUTH AFRICA

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Activities: None Reported.

Finances: None Reported.

Political Propaganda: None Reported.

The CHAIRMAN. I appreciate, Senator Dodd, your mentioning that staff prompted the question. We will query the staff to see what they know.

Senator Kerry.

Senator KERRY. Thank you very much, Mr. Chairman.

Mr. Secretary, I do not want to belabor this point, I really do not. But I would like to just ask you a couple of questions about it, because I personally see a fundamental contradiction, even though there are some very obvious and clear differences between Nicaragua and South Africa.

But it seems to me on page 13 of your testimony in your eighth point you make the statement that sanctions are unlikely to have a major effect. I think you made the point previously. And in addition, I think the State Department has stated with respect to sanctions in Nicaragua that they do not expect them to have a major effect, but they have gone ahead with them anyway.

How then do you distinguish the two in terms of that effect that they have? Here you are employing them in one place, saying they probably will not have a major effect. It seems to me you are falling prey to the very sort of feeling good kind of statement that you have condemned some of the proponents of this legislation for.

Mr. CROCKER. I think there are two parts to the answer, Senator, to your question. One is the relative degree of, if you will, vulnerability to such measures of the two countries.

Senator KERRY. I do not mean to interrupt you, I really do not. But I want you to answer, but if your answer is that it is the distinguishing potential for impact then you are denying what the State Department has said. Your Department has said they do not think they are going to have much impact, but we are going to do them.

Mr. CROCKER. What I am saying is that I think in terms of an ability to influence another government, that if a country is relatively more vulnerable perhaps it is going to be more influenced than if it is less vulnerable. The South African economy is something like 30 times the size of Nicaragua's and has vast international trading relationships, and in fact has a bigger economy than a number of our NATO allies. It has options. So I think that is the basic point that is being made there.

By the same token, I think the thing we are reacting to and dealing with in the Nicaraguan case is a different order of problem, a different type of problem. I think it would be very hard for us in this room to declare a national security emergency in the case of southern Africa on the basis of the facts.

Senator KERRY. Some of us might argue that it is very hard to do it on the basis of the facts with respect to Nicaragua, but that is a different point.

So having said that, then let me come to your other point, point number 10, which it appears to me contradicts both your answer now as well as your earlier point, because you say that increasingly sanctions talk worries South Africa's neighbors, and that they are worried about the impact on their economies.

Now why is that not therefore effective? I mean, if we can impact their neighbors, if we can have that kind of international impact, is that not positive in terms of what sanctions could in fact accomplish in moving South Africa itself?

Mr. CROCKER. The point that I was trying to make, Senator, in my prepared statement is that South Africa's neighbors are worried about the impact on them of measures which might hurt the South African economy, because they are very highly interdependent. They are actively worried about the disinvestment debate in the United States because they do not want to see South Africa's economy shrink.

Senator KERRY. I understand that. That states a clear impact as a consequence of sanctions, which is contrary to your earlier statement that it will not have an impact.

Mr. CROCKER. No; I did not say it would not have an impact. I said it would not have an impact in terms of changing the South African Government's policy. It could well lead to a marginal impact on growth rates or on investment rates or black employment rates.

Senator KERRY. I suppose that begs the question of what does or does not have an impact, correct?

Mr. CROCKER. No; I think the distinction I would draw—and I thought that was clear in what we said earlier; if not, it should have been worded more clearly—is that we are talking about an impact in terms of shifting a government's policies, not an impact in terms of hurting people.

Senator KERRY. Well, let me get to that issue then of shifting the government's policies, because in your testimony you state that over the last 4 years fundamental pillars of the apartheid system have eroded. Now I would imagine you would agree with me that the homelands policy, the influx control, the Bantu education, the denial of South African citizenship, and the equal property rights for blacks are all fundamental pillars of apartheid, are they not, each of those?

Mr. **Crocker**. All the things you mentioned certainly are central to apartheid, most particularly the allocation of land and property rights and political rights on the basis of separation.

Senator **Kerry**. And the South African Government has not abandoned any of those, has it?

Mr. **Crocker**. Senator, I do not know how else to read the speech made by the State President of South Africa on January 25 of this year than as, in effect, a tacit avowal that grand apartheid has failed, that grand apartheid is inadequate, that it is many things.

When a leader of that country, facing the kind of domestic and foreign criticism that it is facing, states that there will need to be participation for blacks at the highest levels outside the homelands context, that homelands are not an adequate answer to the issue of black political rights or citizenship, that indicates that some thinking is going on. That was the point I was making.

Senator **Kerry**. I understand that. I do not disagree with that. I know you are very sensitive to that and very learned with respect to that. But what I am trying to get at is what causes it. That is really what we are talking about here.

How are we going to foster this change responsibly, without destabilizing as we try to do it? In your testimony you have referred to the last 4 years, in which you say fundamental pillars of the apartheid system have eroded.

Now, as evidence that the pillars of apartheid have eroded, you cite the government's recognition, and I quote your testimony: "Some of those outside the white community have the right to exercise political power at the center, through the inclusion of Asians and coloreds in the government." Now, when was the decision to include Indians and coloreds in the parliament made? When was it made?

Mr. **Crocker**. It was made in terms of internal decisions inside the governing party in 1982.

Senator **Kerry**. Was it not more correct that it was made in 1977 and 1978?

Mr. **Crocker**. There was discussion going back a decade about a number of these things.

Senator **Kerry**. But the decision was made in 1977 and 1978.

Mr. **Crocker**. That is not my impression, Senator. There was discussion. There was a lot of in-house discussion, but you did not have the kind of decision which forced the issue until 1982, at which point the government accepted the risk of splitting the party and indeed it did so, then the following year putting it to the white electorate.

The same could be said, for example, about the issue of mixed marriages and the Immorality Act, the discussion, the debate raging inside the Afrikans churches for 10 years before the decision was taken.

Senator **Kerry**. Well, I mean, I will read you a quote. In 1978, Dr. Peter Kornhauf, Minister of Plural Relations and Development, said "white, colored, and Indian people will be joined into a collective decisionmaking process operating on a consensus basis, and ultimately people believed urban blacks would be drawn in in time." That was the decision made in 1978.

Let me read you a second one: Professor Nick Rudy, director of the Institute of Plural Studies at Pretoria University: "The government is preoccupied with the implementation of the new constitution, involving whites, coloreds, and Indians in a national decisionmaking under the Executive State President." That was published in 1978 in the Rand Daily Mail and that was part of the government process as a result of Carter administration efforts for reform, wasn't it?

Mr. **Crocker**. Senator, I would put it this way, that we saw a number of reports, a number of trial debates and debates going on for years. But the key is, when do you actually bite the bullet? When do you actually say, we are going in this direction, and come up with a concrete design, including the writing and drafting of a constitution?

Sure there has been thought going on for a long time. I think it would be wrong for us—we are not sitting here today saying that everything positive in the past four years is the result of our policies. There is a dynamic at work. If that dynamic were not at work, we would not have our policies.

Senator **Kerry**. I am having difficulty finding a link between the statement "over the last 4 years fundamental pillars have eroded" and the reality of what happened between 1977 and 1978 and Carter pressures, and what you now say is happening is a measure of success of this administration's policy, and I think that is the issue that has really been joined by my colleagues here.

What beyond what I have just articulated is the real measurement of success of your policy? What changes have there been beyond what we just talked about?

Mr. **Crocker**. There are many things that one can point to, both on a regional and an internal basis. I do not know if you want me to go through the entire list, but I would certainly be happy to do it for the record if there would be interest in doing that.

Senator **Kerry**. I would certainly be interested. Mr. Chairman, I do not want to take the time up of the committee now. But I would like to ask that the record be left open and that we be permitted to have a submission in writing of those specific things. And I would like to submit one other question, which is: I would like to have your assessment of those factions which stand in opposition to the current government and which specific leaders and specific groups within those factions support your policy. I would like to have that submitted.

[The information referred to follows:]

Achievements of U.S. Policy Regionally and Internally

The Administration's policy in southern Africa began with four goals:

Accelerate evolution away from apartheid.

Diminish regional violence.

Achieve Namibian independence.

Reestablish U.S. influence and reduce that of the Soviet's.

We have had significant success on all four counts. This is a result of the unique U.S. role as the only mediator to enjoy the confidence of all regional parties, including governments and various liberation movements. Our policy has reshaped the regional agenda, but the gains are fragile and much remains to be done. Recent events notwithstanding—the SADF's raids on Botswana, Cabinda and in southern Angola and the installation of a transitional government in Namibia—we believe the trend of events regionally is in our favor.

REGIONALLY

Some of our achievements are listed below:

Reduce Regional Violence;

Brought South Africa and Mozambique together in an historic agreement (Nkomati Accord) ending both governments' support for cross-border violence and substituting economic incentives.

Brought South Africa and Angola together (Lusaka Agreement) on a plan to end South Africa's occupation of Angola and to achieve a cessation of hostilities between the two.

Namibian Settlement:

Obtained South African recommitment to UN Resolution 435 for Namibian Independence.

Obtained SWAPO and regional states' agreement to arrangement reached with South Africa.

Turned aside South African attempts to pursue other settlements that would have exacerbated situation

Only agreement by South Africa and Angola on details of Cuban troop withdrawal blocks implementation

Reassert U.S. Influence:

Seized strategic initiative from Soviets, shifted focus from military to diplomatic

Mozambique and Angola look to U.S., not Soviets, for solutions to their security problems

Convinced Angolan Government to accept Cuban troop withdrawal in context of Namibian settlement

INTERNALLY

It would be presumptuous and inaccurate of us to take credit for any reforms in South Africa because they derive from essentially domestic sources. Our diplomacy has been aimed at urging the South African Government to come to terms with the legitimate demands of South Africa's black majority. We have stated our views publicly and privately on such matters as the new South African Constitution, the homelands, detentions and arrests of opposition leaders, forced removals, violence in the country generally and on the need for talks between the Government and representative black leaders to bring peace to South Africa. We are providing $10 million annually to help black education, black small businesses and to train black trade union leaders and we have increased educational and cultural exchanges between the United States and South Africa. We want U.S. firms to stay in South Africa, to adhere to the Sullivan Principle voluntarily, and to use their influence to bring about change in both the work place and the community.

CHANGES IN SOUTH AFRICA

Granted that much remains to be done, more changes have occurred in the last ten to fifteen years, and particularly in the last four, than in the previous three hundred years. Here are a few examples, although we reiterate that we do not take credit for any of them:

There has been substantial desegregation of hotels, restaurants, parks, libraries, theatres and sporting facilities.

The government has acknowleded that discrimination on the grounds of race cannot be justified, and that the government will move away from such discrimination as fast as possbile.

Acknowledgement by the government that existing citizenship arrangements, which deprive blacks assigned to so-called homelands of South African citizenship, must be reviewed.

Abolition of job reservation.

Recognition of freedom of anyone, regardless of race or sex, to form and bargain in free trade unions.

The elimination of all references to race or sex in labor legislation.

Free education for all races. For the first time, there is an education budget greater than the defense budget, most of the increase coming in black education.

Private schools in the country, though not yet government schools, are allowed to admit students of all races.

Fourty-four Central Business Districts have been thrown open to black businesses.

The permanence of blacks in the urban areas is accepted. Renewable 99-year leasehold given to their property, and public commitment to grant full freehold.

The government has offered to free Nelson Mandela if he renounces violence. It has also offered to negotiate with the African National Congress, as with any other black group, if it likewise renounces violence.

The Government has abolished the colored preference area in the Western Cape, recognizing the claims of blacks in the region to residence rights and employment.

While South Africa's new constitution is flawed because it does not address black rights, the formerly all-white Parliament now has Colored and Indian chambers and there is now both a Colored and an Indian cabinet minister.

Abolition of Mixed Marriages and Immorality Acts.

Suspension of forced removals of established black settlements pending a review of the policy.

Government decision to abolish the Political Interference Act, which prevented different racial groups from belonging to the same political party.

Erosion of apartheid in sports (note: extensive desegregation in such sports as cricket, soccer, track and field and boxing).

South Africa Opposition Elements/U.S. Policy

The seven principal groups opposed to the current government of South Africa cover the full range of the political spectrum.

It is difficult to state conclusively that a given party or individual is in favor or opposed to "U.S. policy", since few pronounce themselves directly on full range of "U.S. policy", which encompasses such a broad range of matters, from external policy, through assistance programs to pressure for internal reform. Below we have sought to outline where positions taken by the various opposition groups, listed alphabetically, correspond with or differ from Administration policy.

1. *The African National Congress (ANC).*—The ANC does not support overall Administration policy toward South Africa. It does share our position on dismantling apartheid and that negotiations must include the "entire democratic leadership of South Africa". It also shares our desire for the release of Nelson Mandela.

DIVERGENCE WITH U.S. POLICY

The ANC:

Demands the strongest possible set of sanctions against South Africa by the U.S.;

Sees the reform process as "small manipulations" rather than genuine change;

Believes in armed struggle and the use of violence to achieve its aims.

2. *Azanian African Peoples' Organization (AZAPO).*—AZAPO is generally against the U.S. policy in South Africa, calling for revolutionary struggle against the existing social, economic and political orders, and rejecting negotiated reform.

3. *The Conservative Party (CP).*—The CP generally does not support most U.S. policy objectives in South Africa.

DIVERGENCE WITH U.S. POLICY

The CP:

"Blames" the U.S. for the domestic reform and regional peace initiatives being pursued by the SAG;

Does not believe in a policy of negotiation;

Supports the apartheid system—is against mixed marriages and sex across the color line;

Believes in influx controls, homelands, group areas;

Rejects UNSCR 435—will not accept UN role;

Rejects U.S. "interference" in brokering Nkomati Accord.

4. *Inkatha.*

AREAS OF AGREEMENT WITH U.S. POLICY

Is prepared to discuss power sharing between blacks and whites;

Concurs that political reform is underway;

Opposes repressive government policies, but also opposes violence as a means of redressing this;

Shares the U.S. view that minority white rule will not lead to stability in South Africa;

Voices support for continued strong foreign investment in South Africa;

Calls for the release of Nelson Mandela and the speeding up of the reform process;

Believes disinvestment/economic isolation will set back the cause of human rights and peaceful change in South Africa.

DIVERGENCE WITH U.S. POLICY

Chief Buthelezi has often stated that he disagrees with aspects of Administration policy, specifically what he considers as Administration support for the new constitution, which he strongly opposes.

5. *The New Republic Party (NRP).*—The NRP generally favors evolutionary reform away from apartheid, and to that degree its position is close to that of the Administration. However, the NRP no longer differs greatly from the ruling National Party in many respects.

6. *The Progressive Federal Party (PFP).*

AREAS OF AGREEMENT WITH U.S. POLICY

PFP policy generally corresponds with U.S. policy in that the party:

Calls for the eradication of the apartheid system;

Calls for the release of Nelson Mandela and others;

Opposes disinvestment initiatives in Congress;

Is against isolating South Africa—believes diplomacy is more effective than boycotts;

Concurs that reform is underway in South Africa but that more is needed;

Believes that lines of communication should be kept open to all parts of the political spectrum.

DIFFERENCES WITH U.S. POLICY

The PFP does not agree that Cuban troop withdrawal from Angola should be part of the Namibia negotiations.

7. *The United Democratic Front (UDF).*—While vocally opposed to what they see as U.S. policy, the UDF, in general, agrees with the Administraiton on the need for dismantling apartheid, a national dialogue, releasing of Nelson Mandela and other long detained political prisoners, as well as assistance to black community organizations.

DIVERGENCY WITH U.S. POLICY

The UDF passed a strong resolution on foreign investment which stopped just short of calling on foreign companies to divest from South Africa. Generally, the UDF supports divestment as an anti-apartheid gesture from America. The UDF desires stronger U.S. opposition to recent internal events in South Africa and see the United States as being too supportive of the South African government.

South Africa Opposition Elements/U.S. Policy

There are many factions in South Africa which stand in opposition to the current government. Some, such as the Progressive Federal party and the Conservative Party, operate within the White political environment. Other political groups such as Inkhata and the Labor Party are involved in black, Indian, or "colored" political life. Still others, such as the United Democratic Front, stand in strong opposition to the government but outside of the political framework. The African National Congress is banned and operates underground.

It is difficult to state conclusively whether a given party or individual is in favor or opposed to "U.S. policy". Few pronounce themselves directly on the full range of "U.S. policy" which encompasses such a broad spectrum of issues from external matters through assistance programs to the exertion of pressure for internal reform. However, it is clear that some, such as the Conservative Party, the ANC and elements of the United Democratic Front are strongly opposed to the essential principles of our current policy. Others, such as Inkhata, the Progressive Federal Party, and other entities, support the basic thrust of American policy, which is to encourage peaceful evolution away from apartheid.

Senator **Kerry**. Thank you very much, Mr. Chairman. Thank you, Mr. Secretary. I appreciate it.

The **Chairman**. As the Chair has mentioned, another hearing on South Africa will occur with nongovernmental witnesses some time around the 23d or 24th of this month, with markup on the legislation in the first week after we return from the Memorial Day recess.

We are grateful to you, Secretary Crocker, for being with us and for being so forthcoming in this extensive hearing this morning.

The hearing is adjourned.

[Whereupon, at 12:35 p.m., the committee adjourned, subject to the call of the Chair.]

U.S. POLICY TOWARD SOUTH AFRICA

WEDNESDAY, MAY 22, 1985

United States Senate,
Committee on Foreign Relations,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Richard G. Lugar (chairman of the committee) presiding.

Present: Senators Lugar, Kassebaum, Sarbanes, Cranston, Eagleton, and Kerry.

The Chairman. This hearing of the Senate Foreign Relations Committee is called to order.

Today the committee meets again to consider the U.S. policy toward South Africa. We have met twice to receive testimony on this subject already, and we have heard from several Senators and from Assistant Secretary of State Chester Crocker.

Today we will hear from nongovernmental witnesses who have special expertise or interest in South Africa. I have indicated that it is my intention to ask the committee to mark up legislation on South Africa on June 4.

At that time the committee will consider the various bills which have been introduced on this subject as well as any other proposals that committee members might wish to offer.

We have a number of distinguished witnesses today. I would ask that each witness limit his remarks to 5 or at most 10 minutes, if this is possible. We would be pleased to put written material which witnesses may wish to submit into the record in full, and we wish to offer full opportunity for Senators to question each of the witnesses.

As my distinguished colleague, Senator Pell, arrives, I will reserve his right for an opening statement.

And at this time I would like to call upon our opening witness, Mr. Randall Robinson, executive director of Transafrica in Washington, DC, to offer his testimony.

Welcome, Mr. Robinson.

STATEMENT OF RANDALL ROBINSON, EXECUTIVE DIRECTOR, TRANSAFRICA, WASHINGTON, DC

Mr. Robinson. Thank you, Senator. I am very glad to be here. Let me commend the committee for conducting these hearings.

I would like to place my prepared statement in the record, and make just brief remarks.

The Chairman. It will be made a part of the record.

Mr. **Robinson**. I want to start with U.S. investment levels at 1950. In 1950, the United States had about $125 million invested in South Africa. Now that investment figure, direct investment figure exceeds $2.5 billion.

And when one puts together direct investment, indirect investment, and American loans to South Africa, one now sees a total of $4.6 billion, and those figures have grown through Democratic and Republican administrations alike from 1950 until now.

During the same period, conditions in South Africa have worsened. Since apartheid was codified into law in 1948, conditions on all levels have stiffened for blacks, so that now we probably have reached the greatest crisis point in South Africa's recent history.

And I am afraid that if our Nation and if our Western allies do not together with us act responsibly and act strongly and with conviction based on our American ideals, that the South African Government will create a situation from which there will be no safe return.

I think that we are proceeding on course, Mr. Chairman, toward a bloodbath, and so we must make it absolutely clear in very quantifiable terms to the South African Government that they must come to the table and negotiate with the seriously regarded black leaders of that country toward a constitution that would enfranchise the majority of their citizens.

South Africa remains today as the only nation in the world that, constitutionally, enshrines racism by denying 70 percent of its population, 22 million blacks, the basic right to vote or participate in the national political process in any way on the basis of race alone. Blacks have no right to own land, are relegated to 13 percent of the land mass. No right to trial. No freedom of speech. No freedom of travel. No freedom of association. No freedoms at all that we commonly associate with our first amendment.

Over those same years that I previously alluded to, 4 out of 10 Bantustans have been made so-called independent states, and some 3½ million blacks have been forcibly relocated onto remote patches of land. Some 8 million blacks have lost their citizenship, and some 1½ million are now scheduled to be relocated soon.

So that the central issue before us today is really not the issue of jobs for a few thousand black South Africans, but it is the issue of political enfranchisement, the relief of enormous national repression of the great majority of blacks who live in that country.

Unless and until we respond to the core issue, we are going to have a very explosive situation on our hands. We support in the Free South Africa movement, and this would comprise over 100 American organizations, S. 635, that would impose a set of very moderate sanctions on South Africa, not so stiff as to cause enormous economic dislocation in that country, but stiff enough for the first time to indicate to South Africa that our Nation has found itself on the right side of the fundamental social justice issue.

Of course, that bill, as you know, would prohibit any new investment in South Africa, and would prohibit bank loans to the South African Government. It would prohibit the sale of Krugerrands in the United States, and it would prohibit the export of computers to the South African Government.

I think these measures are particularly important inasmuch as Krugerrand sales in the United States produce for South Africa 50 percent of their export revenues from the sale of Krugerrands in the world, something in 1984 hovering around $600 million, the largest export item to the United States from South Africa.

Certainly we can find a replacement for that through the purchase of our own gold pieces, through the purchase of Canadian gold pieces, Mexican gold pieces. Banks are already beginning to draw back. Twenty-six of the major American banks have now put in place a policy of a prohibition on any new bank loans to the South African Government. Investment has been trimmed, new investment toward the late seventies.

Of course, this bill does not go as far as it should go inasmuch as it does not prohibit reinvested earnings. But nonetheless it goes far enough to indicate in a certain and clear way to the South African Government that our Nation has a seriousness of purpose that we have discovered that would make clear to them that we expect them to release Nelson Mandela, Walson Losulu, and others from prison, and to sit down in a constitutional convention and negotiate with them in good faith toward the only solution that will help this society that is desperately in trouble.

I would suggest as well that because of the important foreign policy and strategic interests involved here for the United States, that we place ourselves very quickly on the right side of the issue, because black South Africans ultimately, inevitably are coming to power, and we certainly want to be perceived by them as having been responsive to their needs, to their hurts, to their sufferings.

I think it is clear from Desmond Tutu, from the organizations comprising the United Democratic Front, from Nelson Mandela, from the most popular political organization in South Africa, the African National Congress, that the black population of that country would have us vote for this bill imposing these sanctions, and at last putting our Nation where it should be, on the right moral, strategic, political side of the most important social justice issue facing the world today.

Thank you.

[Mr. Robinson's prepared statement follows:]

PREPARED STATEMENT OF RANDALL ROBINSON

Mr. Chairman, my name is Randall Robinson and I am executive director of Transafrica, the black American foreign policy lobby for Africa and the Caribbean. I am also national co-ordinator of the Free South Africa Movement.

Had there ever been any question regarding the American public's views on South Africa, the past 26 weeks have provided a clear answer. Americans are repulsed by apartheid and are embarrassed by our nation's tacit support for the government of South Africa. The past 6 months of protest have proven that a broad based constituency exists for a fundamental change in United States-South Africa policy. Americans of every political stripe have been marching week after week since last November at the South Africa Embassy, its consulates, and at krugerrand dealers across the country. The consulates in Boston and Portland have closed. Many coin dealers no longer sell the krugerrand. Americans will not cease in their protest until they are satisfied that the United States is part of the real solution, and not simply rhetorical exercise. I commend this committee for convening this critical review of United States-South Africa policy. I further commend Senator Kennedy and the Senate cosponsors of the Anti-Apartheid Act of 1985, (S. 635), a bill which in my view constitutes an important step toward a responsible American policy vis-a-vis the worsening crisis of South Africa.

The need and indeed the call for a U.S. policy of economic pressures on South Africa stem from two things. First, it is rooted in the longstanding international efforts against apartheid and the recognition that a South African Government so committed to injustice, will only alter its course in response to strong external economic pressure and internal popular pressure.

Second, the need for sanctions is based on the failure of the current policy of "constructive engagement" to achieve any results other than Pretoria's measurable escalation of repression over the past 5 years. Accordingly, this policy warrants strong condemnation today. The unending brutality of that government and the untold suffering of the black majority described here daily, bear incontravertible witness that by placing our economic, diplomatic, and intelligence resources at the disposal of the Government of South Africa, and by couching that support in the guise of "quiet diplomacy," We encourage and accommodate what is essentially a minority-ruled slave economy in South Africa. In response to current U.S. policy there have been dramatic increases in government forced removals to barren "homelands," policy killings of black South Aricans, bannings and detentions of peaceful protestors without judicial process, pass law arrests, and regional destabilization efforts. The simple truth is that U.S. private sector support for the South African system surpasses $14½ billion, and as a close political relationship continues between our Government and Pretoria's, the South African Government ignores our spoken condemnation and continues their entrenchment of apartheid.

In March, South Africa's Minister of Law and Order banned meetings of some 29 anti-apartheid organizations, including the 2 million member United Democratic Front, key leaders of which are now on trial for treason.

The carnage at Uitenhage on March 25 speaks for itself. Commemoration services and vigils being held around the world in honor of those gunned down at sharpeville 20-years before to the day, acquired a more dramatic and immediate impact as word of the Uitenhage massacre reached a stunned world. The body count, we learn, has risen steadily since the March 25th shootings.

South Africa's "liberalization" of laws against black trade unions is often cited as evidence of that country's "moving in the right direction." Last November, a 2-day strike by black unions in South Africa resulted in mass arrests involving hundreds, the incarceration of most major labor leaders, and the firing of 6,500 workers from the state owned Sasol Company. Late this April, 15,000 black gold miners were fired by Anglo-American for striking for a 10 percent increase in their $160 per month earnings. South African laws makes possible this abhorrent treatment of labor.

Last month, Secretary of State Shultz spoke about South Africa's "shift to 'orderly urbanization' policies." Last October, we witnessed "Operation Bullrush," when South African troops raided black townships, enveloping entire neighborhoods with military hardware, ravaging tens of thousands of black households and physically marking blacks after they had been inspected.

Last September, the Reagan administration commended the South Africans for establishing a tricameral parliament in the face of a widespread election boycott by approximately 80 percent of the eligible mixed race and Asian voters. The apartheid legislature offers separate and subordinate legislative chambers to the mixed race and Asian communities, while the White Chamber, the President's Council, and the electorial all retain permanent, constitutional white majorities and the right to override any action taken by the non-white legislators.

We were told by Assistant Secretary of State for Africa, Chester Crocker, in 1980 that in 2 years we would have a settlement in Namibia. Five years later, an additional 900 Namibians have been killed and some 800 mained in their struggle to wrest their territory from South Africa's illegal occupation.

The Administration's constant characterization of the South African situation as improving for blacks is not borne out by any available evidence. Such characterizations if proven untrue by daily events in South Africa in which black victimized by and excluded from the political process established by the Pretoria Government.

Given the record, constructive engagement cannot be a policy option to any American administration which accepts the right of black South Africa to full enfranchisement and self-determination. The Reagan administration can point all it wants to the South African Government's promises, acknowledgements, and rethinking of petty apartheid laws, but it cannot insure the actualization of any of these pledges, and it cannot claim that such cosmetic alternations in apartheid will ever lead to the enfranchisement of South Africa's black majority. By its own admission, the Pretoria Government cannot envision a day in which a democratic unitary state will exist for all South Africans, black and white. The South African cabinet committee for black constitutional dispensation told a staff delegation from our Congress in 1984, that apartheid laws are expendable only when absolute white economic and political domination is secured. In this context, constructive engagement becomes a defense for a South African regime which is simply buying time. US. Policy must not be allowed to be used as a political weapon for a Pretoria Government with no intention of creating a democratic society.

The sponsors of the Anti-Apartheid Act of 1985, offer us the appopriate and responsible corrective policy toward the South African crisis. The act is comprised of four economic restrictions, far less severe than the sanctions our government places against a number of nations around the globe. The bill's measures are designed to prod South Africa toward ending its disdain for the basic expectations of the international community. S. 635 would prohibit any new American investment in South Africa until the Pretoria Government begins a genuine process to dismantle apartheid. Additionally, this bill prohibits new American bank loans to the South African public sector, bans the sale in the United States of South Africa's Krugerrand, and curtails computer sales to the South African public sector, again until meaningful steps to end the oppression and exclusion of blacks are made.

South Africa can ill afford to ignore a ban on new American investment in the way it has ignored soft calls for change under constructive engagement. That country is experiencing a severe economic recession and would come to a new understanding of American opposition to apartheid. South Africa cannot accommodate an American Krugerrand ban. They depend upon us for 50 percent of their krugerrand sales. America is the backbone of the South African computer capability. Without Commerce Department approvals hardware which functions to administer South Africa's pass laws, and perform a variety of military exercises including simulation of nuclear explosions, South Africa could not manage the machinery of apartheid.

This legislation anticipates the imminent clash between a people pushed beyond the limits of human endurance, and a minority government hopelessly committed to violent racial repression. Any minimally honest examination of the South African scene would indicate that this is a confrontation in the near-term offing. Our Government is being drawn into this crisis on the wrong side. It will not be possible for the United States to achieve neutrality by curtailing or withdrawing American investment after that explosion occurs. We will have, for too long, helped the South African Government contain, by force, black frustrations. That is why the U.S. policy of constructive engagement is viewed by blacks inside and outside South Africa as racist.

In April, the State Department claimed that our leverage increases as we increase our own stake in the South African economy. We are already Pretoria's No. 1 trading partner. Over that last 40 years, as our "leverage" has increased, so has the level of Pretoria's repression. Accumulated unused leverage amounts to nothing more than assistance to the apartheid system. It is the time to use that leverage by implementing S. 635.

It is well known that the most broad based South African labor, political, and community organizations, and the most revered black South African clergymen have stated, at great personal risk, their support for a program of American sanctions against South Africa. They know this to be the only path toward persuading the white government to negotiate in good faith toward a fair solution. The Anti-Apartheid Act of 1985 represents a step toward the economic pressure they invite from the international community.

I am aware that other Senate bills have been introduced to address the South African crisis. These bills recommend a number of actions, including educational programs for black South Africans, business programs for black South Africans, a human rights fund for South Africa, fair workplace principles for American firms and the U.S. Government in South Africa, and a 2-year waiting period in which to monitor the South African situation. In my view, none of these measures constitute a sound basis for national policy, and certainly not for national policy toward a worsening crisis which claims a climbing daily toll in human lives. Scholarship programs and enterprise programs obviously do nothing to address a regime committed through brute force to policies to indefinite white minority rule. As for fair workplace principles, the effect would be at best negligible inasmuch as American firms only employ 66,000 black South Africans comprising less than 1 percent of the black workforce. Furthermore, this administration has had 5 years in which to monitor the South African Government's policies. It has been 5 years of bloodshed and tragedy absent of even the slightest change in the political relationship of whites to blacks. Keeping to the current course, thoughtful observers believe a blood bath to be inevitable. Past and current American policies have not worked. It is well past time for a change.

Any new policy, if it is to be respected by Pretoria, must have teeth. Of the measures offered, our only chance to make a difference is focused by the Anti-Apartheid Act of 1985.

South Africa has always been aware of our capacity to hasten meaningful change. Let us use that capacity while there is still time.

Thank you.

The CHAIRMAN. I thank you very much, Mr. Robinson.

The committee members by unanimous consent will limit questions to 10 minutes, at least on this first round. If we have a lot of committee members later on, the Chair may suggest a shorter limit. Senator Kassebaum and I will conduct the questioning for the moment.

Mr. Robinson, I take from your reasoning this morning that the value of passing S. 635, which you have recommended, or other legislation, although you have made a specific recommendation for this, is that it would place the United States in terms of its foreign policy on the side of black South Africa, which you point out will inevitably come into power.

It will be more likely to bring about the people—at least I gather this is your reasoning—for Nelson Mandela and others who would negotiate some degree of power sharing with the Government based on the interim situation. Or if neither of those two situations comes about in a short period of time, at least it would express the moral feelings of Americans.

What is your own private judgment as to the possibilities of S. 635 or any other legislation which we are considering bringing people to the negotiating table, that is, bringing freedom for black leaders, identification of persons who might get into a power sharing negotiation?

Is this in the cards? Is anything we do legislatively?

Mr. ROBINSON. Based on my recent discussions with both black and white South Africans, they view this in the United States as the watershed year inasmuch as there now exists in this country real, genuine, broadbased support for a set of sanctions that would begin to withdraw traditional American pillars of support for the apartheid system.

It is so seriously regarded that the South African Government has set up a special unit to fight disinvestment.

It is so seriously regarded that the South African Government makes an indictable crime support for disinvestment in South Africa. South Africa depends for 17 percent of its capital—or 17 percent of its capital for investment and other purposes come from outside resources.

Five percent of its public loans come from the United States. The private loan figure is $4.6 billion. That is not money that they can easily replace.

Sweden now forbids such loans. Holland has moved in the same direction. Japan has done similarly. It is time for the United States to join that list of nations making it more difficult for the South Africans to finance their system.

Clearly we have through our supply of 70 percent of their computer market virtually computerized apartheid, so together with the British we can have great leverage in that area as well. It is a very capital-dependent country. Fifty percent of its GDP is trade dependent.

So that this country has enormous leverage. I think previously they have regarded all that we have said in opposition to apartheid as only so much American theater that does not comply and is not consistent with American behavior. It is now time to use the leverage that we so much talk about, and make clear to them where we stand.

The CHAIRMAN. What in your judgment are the possibilities for leverage through the incentives to American firms to invest more but conditioning those investments upon mandatory application of the Sullivan principles, and in addition reforms that would lead to greater educational opportunities, teacher training and other humanitarian services for blacks in South Africa?

Is there any case to be made as opposed to the sanction route or punitive route, for an incentive route for people to do the right thing?

Mr. ROBINSON. I think it is important, Mr. Chairman, in answering your question, that I respond to it by hewing to the central issue that is before us.

The central issue that has created this long-term crisis in South Africa that must be responded to if we are going to have any effect is the placing of all pressure on that government to come to the table to negotiate a national solution to political power sharing.

Until we have responded to that issue, we have done nothing at all. So, in that light, I would say that the kind of legislation that you suggest would have absolutely no effect on that crisis at all.

American countries provide something on the order of 70,000 jobs in South Africa, comprising less than 1 percent of the South African job force.

I think it is axiomatic that people who hold power, particularly the white South African minority, that has administered that power in such a cruel fashion, never negotiate unless they feel pressure to, unless they feel it is in their cost-benefit analysis interest to do so.

So that I am absolutely certain that the kind of legislation that you describe would cause them to do nothing more than that which they have been doing all along. The only thing that will bring them to the table will be a set of sanctions.

I am not certain if these sanctions are stiff enough. If I were writing them, I would have recommended something much stiffer than those outlined under S. 635, but I think they are a step in the right direction, out of theater into a real American posture of a seriousness of purpose that has never been demonstrated to the South African Government before.

I say that because in all seriousness out of an interest for saving black life as well as white life I think the only way to salvage that society is to begin to put ourselves seriously in some kind of beginning sanctions posture. If we continue along the nonsanctions course, I am certain that we are going to have a bloodbath.

Now, conditions may improve for the few thousands that work in the American job place, but that is negligible, and extremely wide of the mark.

The CHAIRMAN. Let me ask you this. Just pursuing the thoughts that you express, the sanctions that are in S. 635 may be inadequate to bring about the power sharing negotiations. What additional sanctions should the committee consider? Looking down the trail progressively, what would be your judgment as to policy measures we ought to take?

Mr. ROBINSON. There are things we can do unilaterally as a nation, and there are things that we can explore bilaterally through the United Nations Security Council. I think this is a good starting point.

Certainly disinvestment, total disinvestment is a much more dramatic step to take. I would almost begin with that step. We have long since recommended that. But a ban on the importation of coal and uranium would help many flagging industries in many parts of our country bring us into compliance with the U.N. Decree No. 1 on Namibia, and achieve a broader sanction on South Africa.

Mayor Andrew Young long ago proposed an air boycott to cause a different kind of isolation in South Africa. A ban on trade. It is more trade dependent than it is investment dependent. But one understands that these things have to be taken steps at a time.

But at the very least, Congress must start with a most moderate program of meaningful sanctions, and those are those outlined under S. 635. I cannot overemphasize how certain I am and how confident that I will be proved out by events that anything less than that will have absolutely no effect.

The CHAIRMAN. Thank you very much.

Senator Kassebaum?

Senator KASSEBAUM. Mr. Robinson, I would like to hear your thoughts on why you believe that, as you say, these moderate sanctions proposed in 635 or others far more stringent that you would advocate would really force the Government's hand.

You said that staying there, our companies do help limited numbers, but that is limited. But do you not think conditions would deteriorate so that we have only precipitated the blood bath perhaps that you are speaking of?

Is this not a real risk that one takes?

Mr. ROBINSON. Let me answer that in two ways. First of all, I said at the beginning that the real thrust of my comments responds to the quest for political national enfranchisement.

That is a problem. That is the central problem, and that is a problem that we as a nation have to focus on with all our pressures. American corporations can have little effect on that. I think the corporations, I think the South African Government and we all in this country, conservatives and liberals alike, can stipulate to that.

American corporations can have a very small effect on the lives of those people who work for those corporations, but that is more than offset by what those corporations do for the government; 33 percent of its automotive market Americans supply; 70 percent of its computer market Americans supply; 40 percent of its oil needs Americans supply. We are propping up in various strategic ways the most vicious government on earth.

So that seen on balance, the arguments are for withdrawal. A poll conducted in Johannesburg in 1981 demonstrated that urban blacks, even though they would risk the loss of jobs and against the law, said by half that they would like to see American corporations withdraw, even if it meant the loss of their jobs.

That is how important basic political freedom is to the black majority, so that one cannot substitute a job for the vote. We must respond to that.

Second, in speaking about S. 635 specifically, these sanctions would not cause a retrenchment necessarily of American corporations in South Africa, reduction of force. Sweden has imposed tougher sanctions than these, and the Swedish workforce in South Africa remains stable, so that it would not necessarily mean the loss of jobs to black South Africans under these sanctions.

What it would mean for the first time is that South Africa would see this nation in a different light. It would mean to them that we mean business.

Senator Kennedy and others who have been there recently in their discussions with South African whites, people of influence in and out of the government, only want to talk about one thing, because they only respect one thing. That is the willingness of this nation to impose economic sanctions. They will not respond, nor would any other powerhold in the world, to applications for the surrender of power based on moral suasion.

Senator KASSEBAUM. How do you answer those in South Africa, both black and white, who have been on the barracades for a number of years working very hard to implement what small steps have been taken for some political progress, and very small indeed, but they have been there in the front line, who say that they feel that economic sanctions will not be the pressure point that we seem to feel it will be here?

And there are many people you have visited with and I have visited with.

Mr. ROBINSON. Senator Kassebaum, as you know, in any society there is a broad difference of opinion. I believe that the weight of evidence, the weight of opinion in South Africa is on the side of sanctions.

The Federation of South African Trade Unions calls for pressure. The Council of Unions of South Africa calls for selective disinvestment. These are major trade unions. Desmond Tutu calls for this kind of pressure. The African National Congress calls for complete disinvestment.

Nelson Mandela, the man who would be elected president were he allowed to run in a free election, calls for absolute sanctions, as does his wife, Winnie Mandela. So, I think it is easily demonstrated that the most broadly respected leaders in South Africa would support this legislation and much more.

Senator KASSEBAUM. But Bishop Tutu said there should be a period of 18 months to 2 years before sanctions should be imposed and then if conditions have not been met.

Mr. ROBINSON. I do not want to characterize too freely what is in Bishop Tutu's mind, but in my discussions with Bishop Tutu before he said that it is clear now that Bishop Tutu supports sustained economic pressure.

He said 18 months for complete disinvestment, a corporate departure. He did not say 18 months for moderate sanctions like these. And I think it is important to indicate here that if Bishop Tutu had said he was calling for disinvestment today, Bishop Tutu would be in prison now.

It is an indictable offense to support sanctions in South Africa, so it is not a country in which one can express free opinion on these matters.

Senator KASSEBAUM. You said that you felt conditions had worsened dramatically. I would like to hear how you believe in the last 4 years they have specifically.

Mr. ROBINSON. Over the last year, some 200 people have been killed. Just a few weeks ago some 15,000 miners were discharged. Some time before that——

Senator KASSEBAUM. That has happened before. I would like to know specifically how you believe in the last 4 years it has been worse.

Mr. ROBINSON. I do not think there is any question, Senator, that the killing in South Africa has stepped up. I do not think there is any question that the commitment to the relocation of blacks on the Bantustans and the commitment to the policy of separate development is still very much on course.

I do not think there is any question that in terms of the passed laws, for instance, between 1980 and 1981 as opposed to 1982 to 1983, passed laws, violations and arrests have increased dramatically.

Now some 200,000 people are arrested annually based on passed law violations. As you know, this is an important part of the influx control process. So that there has not been a single waivering on the part of that government from its basic plan.

Now, you have seen perhaps some cosmetic changes, a commitment to do something about the Morality Act, but what we must be concerned with here are not the consequences of petty apartheid, but the consequences of grand apartheid, a process by which whites take for themselves 87 percent of the land, relegating the black majority to 13 percent of the land. You have yours. We have taken ours. That is the final solution.

On that the whites have not waivered since 1948. And until we respond to that, we are doing nothing but moving the deck chairs on the *Titanic*.

Senator KASSEBAUM. Well, you know, I am not wanting to make the argument that I think conditions have improved significantly, but neither do I think they have worsened.

Mr. ROBINSON. May I add one point, please? I think it is important to restate the position of Leon Sullivan himself.

When Reverend Sullivan was arrested at the South African Embassy some 3 weeks ago, he said he was supporting S. 635 because it is clear that some American corporations really have to be driven out of South Africa; that he would support disinvestment because he understands the natural limits of the Sullivan principles.

So that it is important that we not confuse A for B, that we not confuse what corporations can do in the tiny work place with what the real problem in South Africa is. The real problem that we must respond to is the problem of national enfranchisement, power sharing with the black community.

Senator KASSEBAUM. I think we would all agree to the real problem. How to apply the best leverage to change it, I think, is what concerns us here.

Mr. ROBINSON. Can we not all agree, too, Senator, that what I am proposing has never been tried? What everyone else is proposing has been tried since 1948 with absolute, total, fundamental, complete failure. We have moved from one and one half—or $125 million to $14.6 billion, and the South African Government has been very happy about it. They have not changed one whit from their course. We must try something else.

Senator KASSEBAUM. Thank you.

Mr. ROBINSON. Thank you.

The CHAIRMAN. Thank you, Senator Kassebaum.

Senator Sarbanes.

Senator SARBANES. Thank you very much, Mr. Chairman.

First of all, Mr. Robinson, I want to commend you on the stand you have taken on this very important moral issue. I think the American people, if they can be made clearly to understand what the system of apartheid encompasses, will respond against it in an overwhelmingly negative fashion, which is what has happened, in any event.

But, many Americans do not fully grasp the impact and the structure of the system and it is very important to bring that to their consciousness, because I think if that is done they can only react in a strong moral fashion. I think that is the path down which I think you are trying to take the American people, and I commend you for it.

I want to make a couple of comments about Bishop Tutu. A lot of positions are being attributed to him and if we are not careful we are going to end up landing Bishop Tutu in jail; and I think that would be a tremendous setback to anyone who is concerned with moving toward a decent and just society.

My understanding—and I met with him when he was here—is that Bishop Tutu advocates disinvestment, that that is an indictable offense in South Africa and that it would be the basis of a charge that would land him in jail. Is that your understanding?

Mr. ROBINSON. That is my understanding.

Senator SARBANES. The 18-month delay that the Bishop talked about was, as I understood it, with reference to disinvestment. So he was taking something of a risk even there, but at least he was not advocating it for now, he was holding out the prospect.

Mr. ROBINSON. Precisely.

Senator SARBANES. If there were not sufficient change over an 18-month period, then there should be total and complete disinvestment; is that your understanding of his position?

Mr. ROBINSON. Yes.

Senator SARBANES. And furthermore, the sanctions involved in S. 635, the legislation before us, do not reach to disinvestment as yet.

Mr. ROBINSON. No, they do not.

Senator SARBANES. These measures all fall far short of anything that could be described as disinvestment, is that your perception?

Mr. ROBINSON. That is correct.

Senator SARBANES. Mr. Crocker asserts that the policy he has developed, which the administration is following, is clear in the abhorrence of apartheid and is so perceived. I differ with him on that point and I would like to get your comments.

My perception is in fact that particularly as one looks beneath some of the rhetoric what actually happens in terms of concrete U.S. steps is in fact perceived by the South African Government as essentially indulging the policies which they have been pursuing, is perceived by the blacks in South Africa as indulging the government, and is so perceived by people around the world, by other black African nations, and indeed in Europe and elsewhere.

I gather there might be some difference of viewpoint within our own country. Could you comment on what your view is of how this policy is perceived by those respective constituencies?

Mr. ROBINSON. I think it is clearly perceived as you suggest it. The South African Government has said that its domestic policies have never been the subject for much discussion between their administration and ours, so that the question of apartheid has really never been on the constructive engagement agenda between this administration and the South Africa Government.

In addition to which one might say as well, that some constituencies around the world affected by us see us more clearly than we see ourselves; know more about what we do because they feel the effects of it.

It is inexcusable that any American administration would allow the export to South Africa of over $100 million in military use items, including 125 shock batons to be used by the South Africans for crowd control, image intensifying devices, computers for nuclear device explosion simulation. That simply is inexcusable.

It is inexcusable that our intelligence agencies, as American scholars have documented, would share intelligence data with the South African intelligence agencies on other black African countries.

Africans are very much aware of the extent of the broad relationship, the supportive relationship of this administration with the South African regime. So that constructive engagement has won us nothing. We are no closer to a solution of the Namibia problem than we were at the end of the Carter administration, and we are further away from the solution to apartheid than we were at that time. So that constructive engagement I think is properly assessed by black South Africans, by white South Africans, and by the world at large as a policy that gives critical and quantifiable support to the white regime.

Senator SARBANES. How high a price do you think we are paying, in terms of America's interests elsewhere in Africa, because of the policies the United States is pursuing toward South Africa?

Mr. ROBINSON. I think, Senator Sarbanes, that this country elsewhere in Africa is seen squarely on the side of the white minority in South Africa, and that is a stinging rebuke and affront and insult to all people of African ancestry around the world, including 30 million people of African ancestry in this country, to find our nation, with its stated ideals, so squarely on the side of the most vicious and most racist regime that we have seen in the world since Nazi Germany.

Senator SARBANES. I would like to draw you out a bit on Namibia, because Deputy Secretary of State Dam, in testifying before the Senate Banking Committee on the April 16, held out Namibia as an example of constructive engagement working effectively and positively. Three days later the South African Government moved unilaterally, which sent our Ambassador to South Africa scurrying in to the government to register a protest about this, along with Ambassadors of the other contact countries.

We have this instance in which 3 days earlier the Deputy Secretary is asserting that this policy is working and is going to be a success in Namibia. Three days later our own Government is protesting the moves that South Africa is making with respect to the Namibia problem.

In what direction do you see that problem evolving under the current policy that the administration has been pursuing?

Mr. Robinson. At the beginning of the administration's first term, Secretary Haig said, give us 2 years and we will have accomplished an independent Namibia. Here we are almost 5 years later and we are further away from that objective than we were during the Carter administration. The South African Government has no current intention of leaving Namibia, and during the course of this time they have received enormous benefits through the sale of uranium, in violation of U.N. decree No. 1, to American utility companies.

So that I do not think that anything about this administration's policy has worked to bring us one whit closer to a solution of the Namibia problem than we were many, many years ago. The South African Government has always been clever at having 20 points on the table and agreeing to 19. The 20th point is always the hangup. We have never applied the pressure, and they are still there.

Senator Sarbanes. What is your response to the argument that is made that if we take some of these economic sanctions measures, other countries will simply move in in place of the United States, and as a consequence no effective pressure will be felt by the South Africans?

Mr. Robinson. I do not think anybody is better qualified to respond to that than Harry Oppenheimer, and he responded to that question during the Nightline Week in South Africa by suggesting that was absurd, that it just cannot happen.

Our own House committee investigations have indicated that if our loans are withdrawn, it is not likely that South Africa can replace that money at the same cost. We have to understand that we have leadership influence in the world and we have to take it. We have to influence the members of the Security Council to follow us in the actions that we are prepared to take.

But to suggest that if we move our corporations and investments out these pieces can be easily replaced without great dislocations and consequences for South Africa is to suggest little, if any, understanding of our economic involvement in general. But those who know, such as Harry Oppenheimer, who is a much more qualified witness on that than I, would suggest that that just has no merit.

Senator Sarbanes. I see my time is up. I would just like to close with the observation that there is discussion back and forth about what impact the steps we might take would have on South Africa, but there is also the broader question of, whether, even if these steps have no impact, we should be maintaining our current relationship with a regime that flouts every decent principle of human governance.

I think that is one of the issues being put to the American people. Now, we hope to do it in a way that is positive and constructive, and that will bring about peaceful change. But on the other hand, I do not see how we can be caught in the posture, even if that were not to happen, of indulging or underwriting a regime engaged in the kinds of practices which the South African regime is following with respect to an overwhelming majority of its people.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Sarbanes.

Senator Cranston.

Senator CRANSTON. Thank you very much.

I welcome you to this committee.

Mr. ROBINSON. Thank you.

Senator CRANSTON. I want to say that your leadership, which has been constructive and very conscientious and creative, has been tremendous in terms of moving thinking in this country on the issue of the abomination of apartheid in South Africa.

You have made an important difference on one of the most important human rights issues of our time. What you have done has been consistent with the highest American ideals.

I think it is important for us to recall that it is precisely because the black South African majority has no meaningful political rights that we on the outside are obligated to do what we can to increase pressures upon the Government of South Africa for change. Those who are there have little opportunity to press peacefully for change. We in the United States have that opportunity. I think we have an obligation to think carefully about what are the most effective ways we can bring pressures to bear for change.

That is why I believe we must exercise our considerable economic leverage and adopt conditional economic sanctions, as called for in S. 635.

You have made plain already, I guess, in answering Senator Sarbanes that the black majority in South Africa views us as on the side of the oppressors, not on the side of the oppressed. Is that correct?

Mr. ROBINSON. Yes.

Senator CRANSTON. Do you see any immediate prospect that blacks will be granted their most basic political right, the right to vote for national leadership?

Mr. ROBINSON. No, I do not think there is any question that the South African Government has no intention of doing that. As I said before you came in, there are another million and a half blacks scheduled for relocation onto Bantustans and the Bantustan independence program is still in force, so that four have received this kind of bogus independence and the others are scheduled.

They have not wavered from this course since 1948, when apartheid was enacted into law.

Senator CRANSTON. Could you describe for us how that relocation effects an individual or a family subject to it? What happens to them?

Mr. ROBINSON. You are, for instance—Nelson Mandela is a good example. Nelson Mandela was offered release from prison if he would go to the Transkei to live. It makes no difference he has never been to the Transkei; that is the area assigned to him.

The Bantustans are 10, as I said, but the 10 are broken into tiny bits and pieces comprised of sometimes one Bantustan. Wherever there is anything of any consequence in the country—copper, gold, chromium, diamonds, and the like, or rainfall—that is designated a white area. Where the land is arid and remote and worthless, that is designated a black area.

So that the original idea was to relocate all blacks onto these Bantustans. Now, some have to be kept in the white area to work in white industry, and to govern the process by which blacks must come into the white area with their passes and the like they have set up the influx control process. So it is a kind of barter slavery.

Eighty-seven percent are designated for relocation and denationalization to one of the remote and worthless Bantustans. So that is how it happens.

We have people who legally own land under previous laws occupying the so-called black spots, and now that land has even been taken away from them. It used to be in South Africa that blacks could vote for whites to represent them in the national legislature. That has changed. Now blacks cannot even do that.

So that these are evidences of the kind of march backward that we have seen in that country since 1948. At the same time, we probably have the highest collective black consciousness in the country, so that we have now got enormously dangerous forces about to clash, and we have to respond to that in a meaningful way and make clear to both sides where we as a nation stand.

Senator CRANSTON. If you are a black living where they do not want you to live, how do you receive notice that you are supposed to move and how are you moved?

Mr. ROBINSON. The police simply come in and move me. I am told to move.

Senator CRANSTON. Do they give you some notice or do they just come in and say, right now?

Mr. ROBINSON. Not necessarily. Perhaps for external consumption they might give me some notice, a few days or two, but not necessarily.

They will come in and knock down my lean-to and put me on a truck and move me.

Senator CRANSTON. Your whole family?

Mr. ROBINSON. My whole family, yes. In most cases the blacks who come in—you see, because to live in one of the Bantustans to which you have been relocated does not mean you can earn a living there. They do not support life. So the fathers have to leave their families 11 months out of the year to come back through the influx control process, pass in hand, to get a job in the mines or one of the industries.

Senator CRANSTON. Do they live in a barracks there, away from their families?

Mr. ROBINSON. Yes, they live in barracks away from families.

Senator CRANSTON. What kind of housing is provided for the family where they are?

Mr. ROBINSON. Well, if you are talking about the squatters, their houses are lean-to's, corrugated metal. Where the workers live in the barracks, the housing is very substandard.

Senator CRANSTON. Is there much resistance put up when the police come to move people?

Mr. ROBINSON. No, Senator. It is very difficult for unarmed people—it is against the law for blacks to bear arms in South Africa—for unarmed people to resist successfully forces. During the fall, sometimes as many as 7,000 military police invaded black townships. That is very difficult, a formidable force to face down.

Senator CRANSTON. You have termed the sanctions in S. 635 moderate and modest. Do you believe that they are substantial enough to have a real impact?

Mr. ROBINSON. I think they will send, for the first time, the right signal to the South African Government. I do not think that Government has ever regarded ours as serious. I think they have always believed that the Western nations have had to say for public consumption that we are opposed to apartheid.

I do not think they ever believed that we in substance were ever opposed to it. How can you oppose something in which you invest so mightily and diplomatically embrace and otherwise ignore? They have understood this Nation to be on their side, as have the blacks, as has the rest of the world.

These sanctions would indicate to them a turning away of this Nation, so that the signal would for the first time be clear.

Senator CRANSTON. What do you think they would be likely to do in response to that signal?

Mr. ROBINSON. I think they would be likely to do some of what has already begun and to step that up. I think the response to what is going on in this country now in part caused them to publish an interview with Nelson Mandela. I think in part it caused them to offer him a conditional release.

In part, I think the preliminary negotiations already going on in a very informal and very mysterious way with the African National Congress—we are a long way from formalizing that process, but I think that we will have to be much clearer in our demonstration to get them to come to the table.

I think they will say first, as they are now, that the American sanctions will have no effect. Anyone who knows anything about the relationship and the extent to which that country is dependent upon Western trade and Western investment and Western loans knows that these sanctions cannot be ignored.

I think in the last analysis they will see to their self-interest by seeing negotiation as their most attractive option.

Senator CRANSTON. Assistant Secretary Crocker when he testified before this committee listed 12 reasons for supporting constructive engagement and opposing anything more like current legislation. I have answered each of those 12 points.

I would like to hear your answer to at least a couple of them. One of his points was "economics is not the key leverage we have in South Africa; our influence is political, moral, psychological." How would you answer that complaint?

Mr. ROBINSON. If our influence is political, moral, and psychological and if we have used that influence, we have no influence at all. There has been no change in South Africa whatsoever.

If hindsight is 20-20, I challenge this administration and previous administrations to demonstrate the smallest progress toward reaching the kinds of goals that have to be reached to avert disaster. The point is, and I say again, let us use the leverage that I suggest we have, that we have always been loathe to use.

Why not give it a try? We have tried everything else with no success.

Senator CRANSTON. Another point he made was: "Sanctions worry South Africa's neighbors. Other states in Africa are concerned about the effect on their economies if additional restraints on South Africa are implemented."

Mr. ROBINSON. I do not know of a single nation in southern Africa which would not support this legislation, which would not support complete disinvestment. It is important to understand that nations like Mozambique, who have been at war for 20 years, first for their own independence, then for Zimbabwe's independence, and now for South Africa's freedom, have suffered greatly, but have been prepared to, and such is the importance, the pricelessness of political freedom.

Mozambique lost more people in the war for Zimbabwe than they did in their own, and they have lost a lot of people in the struggle with South Africa. That has not made them turn away or flinch. They are prepared to go the long distance for this.

So that no nation has taken that position. I think we ought to defer to those who would be affected and stop talking about how others will suffer. Let them make their own choices.

We ought to understand as a nation, because we talk so much about it here, how important our own political freedom is, how we celebrate our own Revolutionary War to achieve that freedom, that there are other things similarly important to people, more important than jobs, and that is the capacity to have and enjoy self-determination as a nation, as a people.

There is no substitute for political enfranchisement and the reinstatement of people on their land, the reinstatement of their birth right. There is no substitute for that, Senator.

Senator CRANSTON. Thank you very much.

Mr. ROBINSON. Thank you.

The CHAIRMAN. Thank you very much, Senator Cranston.

I will ask tentatively, are there other questions that members wish to ask of Mr. Robinson?

[No response.]

The CHAIRMAN. If not, I thank you on behalf of our committee for your testimony. It has been most forthcoming. We appreciate your generous responses to our questions.

Mr. ROBINSON. Thank you, Senator.

The CHAIRMAN. The Chair would like to call a panel of witnesses, including: Hon. Michael Samuels, vice president, International, Chamber of Commerce of the United States, Washington, DC; Mr. Vernon Holmes, vice chairman of Century Insurance Co., Stevens Point, WI; Mr. Paul Murphy, vice president, Government affairs, National Foreign Trade Council, Washington, DC.

Gentlemen, we welcome you to the witness table this morning. I would ask that you testify in the order that I introduced you, first of all Mr. Samuels, then Mr. Holmes, and then Mr. Murphy.

If you will, please try to limit your statements to 5 minutes or a few beyond that. All of your statements will be made a part of the record in full, and then the committee would like to question you as a panel after the three statements have been presented.

Mr. SAMUELS.

STATEMENT OF MICHAEL A. SAMUELS, VICE PRESIDENT, INTERNATIONAL, CHAMBER OF COMMERCE OF THE UNITED STATES

Mr. SAMUELS. Thank you, Mr. Chairman.

I am Michael Samuels, vice president, international, of the Chamber of Commerce of the United States. I appreciate the opportunity to share with the committee the Chamber's views on U.S. policy toward South Africa. This is a part of the world that I have visited several times, written about when I was in the academic world, and followed professionally intermittently for the last 20 years.

The Chamber is among those strongly critical of apartheid and favors the speediest possible evolution of South African society into one that extends human rights and political rights to all its people regardless of color. The Chamber's particular function as a business organization is to identify the ways in which the American business presence in South Africa can play a positive role in the process.

In the public debate on U.S. policy toward South Africa, there are two basically distinct views on the role of American business. One side believes that business does more to reinforce the basic system of apartheid than it does to advance black South Africans' welfare and interests, and therefore should be discouraged. The Chamber disagrees with this view.

We believe that American business in South Africa is a major force in advancing black opportunity and welfare. We believe that black economic advancement in South Africa is the major key for turning the complicated lock of apartheid. The American business presence in South Africa lends some weight to that effort.

We are not implying that the sole function of American business in South Africa is to bring about the end of apartheid. Its prime concern, as in any market, is to achieve a net return on its investment. But in the South African case, it does do other positive things as well.

As Chief Buthelezi has stated, no business today "can secure future plans without challenging apartheid. It was the large corporations that broke the apartheid barriers that led to real advancement for black workers. Ford Motor Co., for example, consciously ignored the law and began training black apprentices. Other companies followed, and eventually job reservations became passe. The efforts of progressive management in talking, dealing, and negotiating with workers brought black trade union recognition sooner.

Although external actions are important, Mr. Chairman, the key events in the South African situation will be internal. From our perspective, what the Congress should be asking is whether it wants to be responsible for eliminating or reducing a positive force for change within South Africa, by either forcing disinvestment or outlawing new investment. We urge you to do neither.

Is U.S. business such a positive force in South Africa? Absolutely. Let us look at the following examples.

The Sullivan principles are well known and have been widely acclaimed. They have produced results. Earlier this year our affiliated American Chamber of Commerce in South Africa issued a significant list of recommendations for basic changes in the apartheid law.

I have attached a statement to my testimony and ask that it be included in the record. We are pleased at Senator Kennedy's positive description of this initiative which he inserted in the Congressional Record of May 8.

The AmCham initiated Pace College is a key commercial and technical school for black students. I am proud to have given the keynote address at the opening ceremony of Pace 3 years ago. Such preparation for greater responsibility is necessary, and American business deserves credit for its initiative.

This committee has before it several proposals for legislative response to the South African situation. The chamber believes that any action by the Congress should be guided by the following principles.

One, conduct a forceful diplomatic effort against apartheid, including, for example, the use of United Nations votes when appropriate.

Two, encourage the elimination of apartheid through peaceful change in South Africa with moral support and tangible resources, including support for a more rapid economic progress for blacks.

Three, encourage universal participation by United States, South African, and third country companies in employment codes respecting human dignity and promoting social responibility and economic advancement.

Four, avoid measures which intentionally or unintentionally result in disinvestment.

Five, avoid relying on unilateral economic sanctions to solve political problems.

Six, avoid actions which would widen the gulf between the government and non-whites and which would encourage further violence and repression.

Additionally, the Chamber believes that it is appropriate here to reiterate a key tenet of our overall policy. The U.S. Government should not apply unilaterally economic sanctions for foreign policy reasons. We believe this tenet applies as much to the South African situation as we believe it applies to the mistaken policy of controls related to the Soviet pipeline issue a couple of years ago.

A parallel situation exists in an extraterritorial reach by American law to make the Sullivan principles mandatory. As good and as important as the principles are, we oppose legislating them to be mandatory.

There are some steps, however, that could be taken that would be helpful. They include the following: One, creating a scholarship fund for black South African education in South Africa and in the United States; two, encouraging the development of black independent business and trade union organizations; and three, creating restrictions on actions that would tie the U.S. Government in any way to internal enforcement of apartheid.

Finally, Mr. Chairman, I would urge the Congress to work with the executive branch as it conducts our foreign policy related to South Africa, but not to tie its hands in conducting that policy.

Thank you.

[Mr. Samuels' prepared statement follows:]

STATEMENT
on
UNITED STATES POLICY TOWARD SOUTH AFRICA
before the
SENATE COMMITTEE ON FOREIGN RELATIONS
for the
CHAMBER OF COMMERCE OF THE UNITED STATES
by
Michael A. Samuels
May 22, 1985

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Finally, Mr. Chairman, I would urge the Congress to work with the Executive Branch as it conducts our foreign policy related to South Africa, but not to tie its hands in conducting that policy.

MARCH, 1985

SUBMISSION BY THE AMERICAN CHAMBER OF COMMERCE IN SOUTH AFRICA TO THE SPECIAL CABINET COMMITTEE UNDER THE CHAIRMANSHIP OF THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

I. PREAMBLE

AmCham takes this opportunity of submitting this memorandum to the Committee with the intention of making a constructive contribution to the process of policy formulation. We do so in the knowledge that there are no simple solutions, but we believe that our viewpoint may be helpful to the Committee. American companies in South Africa contribute to the country and benefit from it and therefore want to contribute from our own experience both here and in the United States.

II. SUMMARY

Our submission is dealt with under the following three headings:

1. Specific policy issues
2. Democratic participation
3. Negotiation and consultation

III. SUBMISSION

1. Specific Policy Issues

(a) Urbanisation and Influx Control: we are aware that the influx control system has been under review for some years, and that certain modifications of a positive nature have been made, among them that blacks qualified for permanent residence in the urban areas may change their jobs now more freely than in the past. We wish strongly to urge that the government embark on an explicit programme to phase out influx control within a stated period of time. The weight of international evidence shows that the process of urbanisation can seldom be indefinitely arrested. In addition, urbanisation is a necessary prerequisite of economic growth. We believe that the costs of continued influx control in South Africa are high. Such costs include (a) the direct costs to the taxpayer of policing and administration, (b) opportunity costs to the economy and to business resulting from artificial restrictions on the free movement of labour, and (c) social costs in terms of damage to goodwill between the races. We are aware of studies that indicate that the net influx of blacks from rural areas to the towns that would result from phasing out of influx control would not necessarily be as great as has sometimes been thought. American employers wish to make the greatest contribution they can to raising South Africa's rate of economic growth, so creating the additional jobs that this country urgently needs. We believe that the present process of phasing out restrictions on the upward mobility of black labour into more skilled jobs should be accompanied by a deliberate programme to phase out geographical restrictions. As black employees are exposed to more responsibility and moved into more senior jobs, it frequently becomes necessary to transfer them from a company's operations in one part of the country to another. The influx control laws are a major hindrance in this connection.

We are aware of reports that new identity documents may be issued in South Africa, but it is important that the issue of such documents be accompanied by the phasing out of discriminatory influx control laws.

(b) Housing: the introduction of the 99-year lease system in many black townships was a major step forward, and the government's recent announcement that this system will now be extended to certain townships in the western Cape is also to be welcomed. According to press reports the Minister of Co-operation and Development has stated that the government will give serious thought to the question of freehold rights for urban blacks. We strongly urge it to grant such rights. This is the logical follow-on to the 99-year lease system and it is also a logical consequence of the recognition of the permanence of urban black communities. The granting of freehold rights would remove a major piece of racial discrimination, and at the same time be conducive to greater political stability in the urban townships. Continuing to deny black people the right to own land in freehold, a right which lies at the very heart of the free enterprise system, is likely to undermine black commitment to that system. Granting freehold rights in urban townships is important from another point of view, which is that it would create a source of income for local authorities in these areas, as they would be able to levy assessment rates upon such property.

(c) Removals: population removals do grievous damage to South Africa, both in terms of racial goodwill within the country and in terms of the country's image abroad. A prominent South African business leader has said that population removals are the one thing most likely to ensure success of the disinvestment lobby in the U.S., which would harm both American companies and South Africa itself. There is much evidence to indicate that removals are frequently accompanied by coercion, and that once people have been removed, particularly into some of the more densely populated homelands, they suffer stress and deprivation, and become an additional burden on the taxpayer. Some of the communities removed are economically relatively prosperous, and it is tragic to see such communities destroyed. While we recognise that increased black urbanisation resulting from the abolition of influx control would entail additional housing and other costs, we do not believe that there would be any costs in simply halting removals altogether. Indeed, there would probably be savings, since the State would no longer have to provide housing for people who have been moved.

We urge that the immediate cessation of removals apply not only to blacks removed to the homelands, but also to coloured and Indian (and the small number of white) people removed in terms of the Group Areas Act.

(d) Migrant Labour: Concomitant with the phasing out of influx control, the migratory labour system should also be phased out. Denying a worker the right to live with his or her spouse and family for very large parts of his or her working life is not socially desirable, conducive to productivity, or morally right, nor is it compatible with the sanctity of marriage and family life. Again, allowing migrant workers to bring their families to live with them at their places of work would involve costs, but the government would be entitled, if it were to agree to the abolition of the migratory labour system, to call upon the private sector to play its full part in contributing towards housing and infrastructural development.

(e) Business rights: AmCham is aware that the question of opening up central business districts to traders of all races has been under consideration since the report of the Riekert Commission was published in 1979, and that some progress has been made in this direction. We strongly urge that CBDs should be opened, not only to coloured and Indian business and professional men and women, but also to blacks. We endorse the moves that some local authorities have made towards desegregation of CBD trading rights, while expressing our concern that others have refused to allow the African Bank, for example, to open a branch in the CBD. The question of whether local authorities should have the right to refuse to open their CBDs is a vexed one. The government, for one or another reason, may not be willing to dictate to them. However, the question at stake is not only one of the autonomy of local authorities, but a principle fundamental to the free enterprise system and to the dismantling of racial discrimination. Discretion should not be left in the hands of local authorities, however if necessary, it would be possible to provide for businessmen refused admission to any particular CBS, for whatever reason, to have a right of appeal to the Supreme Court, and to empower the court to overrule any local authority.

AmCham also urges the government to remove the petty restrictions that inhibit both formal and informal business development within the black townships. According to the Free Market Foundation, the development of the informal sector is inhibited by a great deal of legislation of various kinds. AmCham believes that in the interests of maximising job creation, restrictions on business development in CBDs and black townships should be reduced to the barest essentials.

In particular we would like to urge that proposals by the Welgemoed Commission to restrict minibus taxis be rejected. The growth in recent years of these taxis has been in response to commuters' needs, and the entrepreneurial initiative of such taxi operators should not in any way be stifled by attempts to protect competing rail or bus services. Commuter dissatisfaction with transport services has led to a number of costly and disruptive boycotts in recent years, and AmCham believes it would be inviting trouble to interfere with the operations of black entrepreneurs who provide a service that people are willing to pay for.

(f) Citizenship: the policy of denationalising black people - i.e. removing their South African citizenship - on the assumption of constitutional independence by homelands, should be abandoned. This policy is not only contrary to international law but almost universally rejected by blacks. With reference to press reports that a form of dual citizenship or nationality may be introduced so that blacks who have lost their South African citizenship are not deprived of internationally-recognised passport facilities, AmCham would like to state its view that the major objection of black people to denationalisation is its link to the question of political rights rather than to the difficulties it causes from a travel documentation point of view. Accordingly, AmCham believes that merely restoring citizenship of black people for travel purposes while restricting their political rights to homelands, will not meet their objections.

2. Democratic Participation

AmCham endorses the statement on page 22 of the report of the Department of Constitutional Development and Planning for 1983 that the realities and demands of the constitutional development of blacks should be considered with an open mind and with a new vision. Our submission on the question of constitutional development is made in this spirit. We propose to discuss this question under the heading "Democratic Participation" and from the local, regional, and national perspectives.

Our broad position is that government should rest upon the consent of the governed and that all adults, irrespective of race, should be accorded the right to representation in the legislature that has ultimate control of their lives. While we are aware that all blacks in South Africa (broadly defined in this document to include homelands that were formerly part of South Africa) have a franchise for legislatures in the homelands, we do not believe that this alters the fact that ultimate control remains in Parliament in Cape Town and in the State President, who is vested by the Republic of South Africa Constitution Act of 1983 with the control and administration of black affairs. This is the case partly because almost half of the blacks in South Africa reside outside the homelands, partly because all ten homelands are heavily dependent on Parliament to balance their budgets, and partly because some two-thirds of the homelands' collective gross national product is earned in the white-designated areas. In this context it is relevant to refer to a statement by the Minister of Constitutional Development and Planning (Financial Mail 19th October 1984) that "there is very little political binding or connection" between blacks in the white-designated areas and the homelands.

Although AmCham, for the reasons just set out, believes that blacks are entitled to representation in Parliament, we are not in a position to prescribe how this should be effected. We are aware that the idea of a "fourth chamber" for blacks has been ruled out by both the government and black leaders (among them the president of Inkatha). We are aware too that some black organisations regard a constitution based on one-man-one-vote in a unitary state as the only acceptable type, but that the government has very firmly rejected this notion. We are convinced, however, that South Africans will ultimately devise a solution acceptable to the great majority of the country's population. Whether this is a unitary or federal system, or whether rights are protected on an individual or group basis, and other fundamental matters, are all questions that South Africans of all races will ultimately have to decide among themselves during appropriate negotiations between representatives of all races and political parties in the country. In our view such negotiations are a matter of urgency. If the process of consultation that the cabinet committee has embarked upon with various black leaders proves to be a first step in that direction, AmCham would applaud the fact.

Having stated the broad principles we have in mind we wish now to put forward a number of specific proposals that we believe will help create a climate for negotiation and carry the process of political reform in South Africa forward.

(a) Local Government:

(i) One of the important features of the current upheavals in certain black townships in the southern Transvaal is the violent attacks on the persons and property of members of some of the new black local authorities. Such persons are in an invidious position because a document distributed in 1983 by the Department of Foreign Affairs on behalf of the Department of Constitutional Development and Planning was widely interpreted as portraying the new local authorities as substitutes for the parliamentary franchise. These authorities are in an invidious position also because they have been granted important responsibilities but lack the financial resources with which to discharge their duties effectively. We strongly recommend that the government immediately issue a clear statement to the effect that the black local authorities are a form of three-tier government only and that their establishment should in no way be seen as a substitute for black political rights at other levels.

(ii) We are aware that the question of how local authorities should be financed has been the focus of official attention for some time, most recently by the permanent finance liaison committee, and that a number of proposals are being considered. We strongly advise against introducing methods (taxes based on the number of employees, for example) to finance local authorities, be they black or white, that may have the effect, intentionally or otherwise, of discouraging business investment in metropolitan areas. We do not believe that South Africa can afford any measures which discourage job creation. We do not wish to comment on whether as a matter of general principle it is appropriate for local authorities to be self-financing. We do, however, strongly believe that to apply such a principle to local authorities in black townships in South Africa at the present time is most inappropriate. The large backlogs in infrastructure in these areas are the result of public policy (the freeze on housing construction in certain townships in the late 1960's, for example) and we believe it is unjust and unworkable to burden local authorities with the responsibility for the substantial upgrading that the townships require. We would urge the government to introduce direct subsidies for development and upgrading of the townships and to regard such subsidies as a form of development assistance (similar, perhaps, to that provided to homeland administrations). As we have noted above, the granting of freehold land rights in black townships would, in time, provide local sources of revenue. Any prospect of black townships eventually being able to be self-sufficient would also require maximum business development in those areas, which underlines the need to remove restrictions on such development.

(iii) AmCham has noted that the Regional Services Councils Bill, introduced in Parliament in 1984 and subsequently referred to a select committee, provides for white, coloured, and Indian local authorities to be members of these councils. Although black local authorities will be able to obtain services from the councils on a contract basis, they will not be formal members. We can see no sound economic or administrative reason for excluding blacks and we are glad to note that the president of the Transvaal Municipal Association has recommended that they be included. Accordingly we strongly urge that the legislation be amended before being presented to Parliament again. In this context we feel it is relevant to point out that the exclusion of blacks from the new tricameral Parliament has created a great deal of bitterness among black people of all political persuasions and we believe that this exclusion should not be repeated at the level of regional services councils. On the contrary, we believe that the regional services councils provide a golden opportunity for consultation and negotiation between blacks and other groups. To allow this process to go ahead in the regional services councils would, we believe, be a valuable experiment for South Africa and contribute to the process of evolutionary change.

(b) Regional Government:

Although ten homelands have already been set up in South Africa with their own administrations, eight development planning regions subsequently established straddle homeland boundaries, which is a recognition of the increasing economic integration of South Africa. The regional development advisory committees established in respect of these development regions are also a recognition of the inevitability of joint decision-making on matters of common interest. If this can happen in the sphere of regional development, it is logical to extend the principle to decision-making of regional relevance in other fields, including the social and political. In this context we would commend to the committee the report of the Buthelezi Commission, which found that the existence of separate authorities in Kwazulu and Natal led to expensive and inefficient duplication and overlapping, and accordingly recommended that all regional functions be carried out on a joint basis by the provincial administration and the Kwazulu legislative assembly. As AmCham understands it, the commission recommended a form of multi-racial regional government in Natal and, without wishing to endorse the policies either of the Kwazulu legislative assembly or of the Natal provincial administration, we would like to commend to the committee the principle of allowing co-operation in the eight development regions over matters of economic development to evolve into joint decision-making on regional, political, and other issues. Again, without wishing to prescribe the precise formula, AmCham is confident that such a formula can be reached through black and white negotiation and compromise. The formula could differ from region to region, depending on political, economic, and other circumstances, but regional governments of this nature could evolve into component units of an ultimate federal political system for South Africa, if such a system were eventually decided upon in preference to a unitary state.

(c) National Government:

We have already stated above AmCham's confidence that eventually South Africans will devise an appropriate formula for black participation in Parliament. The proposals for local and regional government outlined above would, we believe, pave the way for such a development if they were successfully implemented. We would in the meantime wish to make the following recommendations:

(i) the government should make an announcement that it is its intention to grant the parliamentary franchise to blacks and that this will be done when an appropriate formula has been agreed upon by the leaders of all population groups;

(ii) the government should also announce that once the formula was agreed upon, the parliamentary franchise would be extended not only to blacks in the white-designated areas, but also to blacks resident in the homelands;

(iii) blacks should be given representation on the State President's Committee on National Priorities. Since this committee will play a major role in determining budget priorities and therefore have a major impact on public spending and on the economy, to exclude blacks from it seems unjust and anomalous; and

(iv) the government should not proceed any further with plans for a confederation, as it is evident that this particular formula is rejected by a great many black people, including a number of leaders of the homelands. We refer in this context to meetings held between the leaders of Kwazulu, Transkei, Lebowa, and Kangwane with a view to promoting federation rather than confederation. Confederation is, we believe, unacceptable because it is based upon the removal of citizenship from blacks.

3. Negotiation and Consultation

As stated above, an appropriate political formula for South Africa can only be arrived at by South Africans themselves through an agreed process of negotiation in which representatives of all race groups and political parties can freely participate. For such a process of negotiation to be effective, it must necessarily include leaders or organisations now proscribed and/or operating in exile. AmCham does not presume to claim that such organisations are the only authentic voice of black people. Some of them are undoubtedly among the most important voices, however. AmCham accordingly believes that the organisations in question should be legalised and that leaders thereof now in prison or in exile should be granted an amnesty, subject to their agreement to participate in lawful democratic procedures and to dissociate themselves from violence. All persons in detention without trial should at the same time be charged or released.

IV. CONCLUSION

AmCham believes that South Africa has already shown itself capable of making important changes in policy, with benefit to all. We refer in this context to the growth of the black trade union movement and the legislation providing for the registration of black trade unions that followed the report of the Wiehahn Commission. We have witnessed also the employment of black people in ever greater numbers in skilled and managerial posts, and the gradual abandonment of the industrial colour bar. Blacks and whites have proved themselves capable of effective and mutually beneficial negotiation in the industrial relations field, and we believe this principle can successfully be applied in the political field at local, regional, and national level. We have seen also the desegregation of sport and sports facilities in many fields, the desegregation of theatres and of certain hotels and restaurants, while an increasing number of black students are attending white universities. All this encourages us in the belief that peaceful evolutionary change in South Africa is possible. This submission is made as a result of AmCham's desire to do all in its power to assist that process to the benefit not only of our member companies and the many South Africans who work for them, but to South Africans of all races.

The CHAIRMAN. Thank you very much, Mr. Samuels.

Mr. HOLMES.

STATEMENT OF VERNON HOLMES, VICE CHAIRMAN, SENTRY INSURANCE COMPANY, STEVENS POINT, WI

Mr. HOLMES. Thank you, Mr. Chairman.

Members of the committee, my name is Vernon Holmes, and I have prepared my remarks for the record. I will just highlight some of the comments.

To qualify my testimony, I would mention that I am the vice chairman of the Sentry Insurance Group. They are located in a place you have never heard of Stevens Point, WI, is our world headquarters.

This group consists of domestic and international companies. In its entirety we have 12 domestic property casualty insurance carriers, three domestic life insurance companies, one insurance syndicate, a dozen foreign insurance companies, and six noninsurance companies including a regional airline and a financial service company.

I have been asked to comment on our presence in South Africa and our objectives in being there, and to share with you some of our experiences. So, I am here to speak for our companies and for myself, and I can tell you that what I have to say is what I have learned from our people who live and manage there, and from my most recent visit to South Africa in November.

Sentry has owned an insurance company in the Republic of South Africa since the early 1970's. It is called Sentry Assurance of South Africa. It basically conducts life and disability insurance business. Our purpose in going into the country to do business was two-fold.

Our primary objective, our primary objective from the beginning has been to promote job opportunities and training for the majority population in the belief that this will contribute toward a peaceful transition to a full and proper role in the government of that country.

Secondary to this primary objective, of course, is our hope and intent to develop a profitable and growing business over a period of time. I say to you that today we believe and our employees believe that we are making progress toward those goals.

At the time our chairman began our first efforts to build an insurance company in South Africa, there was a prohibition that foreign companies in banking and insurance could own no more than 10 percent of a domestic company, but when our objectives which I have stated here previously were presented, the Minister of Finance, and with the help of our own Department of Commerce here, waived the limitation rule, and Sentry was allowed to own 100 percent of the company.

It would take many hours to describe the differences that we found in beginning to do business in South Africa compared to doing business in Wisconsin.

The customs, the language barriers, and, yes, the government rules make the installation of American business methods very difficult, but I think what is important is, we feel we have generally overcome these difficulties, and by importing the techniques and methods of U.S. business, we often run counter to the existing government rules and laws.

Therefore, we see proof in itself that these American methods and techniques are a force that is working to change the laws and rules. Sentry's involvement in business in South Africa is not a large one, but we believe it is effective.

Counting our sales and nonsales employees, we employ about 540 people there. Almost 500 are black. The minority are Asian and whites. Wage levels, benefits, pensions, housing loans, and other insurance industry practices are completely nondiscriminatory, and are in accordance with the Sullivan principles.

Also, because we are an insurance company, we think our contribution is more than just providing good, well paying jobs, benefits, education, and training. Societies with strong middle classes need saving and security mechanisms and routes to financial security.

We believe our life and disability protection for our black policyholders is helping provide and encourage savings and security, so therefore in that sense we feel we are also instrumental in the beginning of building a black middle class in South Africa.

Again, our primary purpose and objective, and this is probably the key statement I will make to you today, in operating the company in South Africa is to encourage the majority population to gain management experience.

We have an agreement, a written agreement and contract with the National African Federated Chamber of Commerce that they will own the company totally at such time as they have developed sufficient management skill to operate it and when they have earned the commission dollars through profitsharing to purchase the company.

At Sentry, we obviously take a different approach than those who advocate disinvestment. We see the pain in South Africa, the threat of unrest, violence, and even revolution, and if we and other U.S. firms are forced to withdraw from South Africa, we see this only emphasizing the unfortunate situation that already exists.

We would prefer to keep the body whole there, and treat the ills with the medication of equal jobs, equal education, and equal training opportunities. So our efforts and our current investments in South Africa are in support of our position that instead of disinvestment, increased American participation in the South African economy should be encouraged.

We would welcome other countries to join us in these efforts to upgrade the educational and management skills of South Africa to help them form businesses of their own. If the U.S. Government would provide special assistance through American companies to accomplish these goals, so much the better.

We believe that the customs, practices, and rules of American business totally contradict the discriminatory practices followed in that country. American business practice is inherently antiapartheid. Certainly then it is by enlargement of that business and not by its withdrawal that pressure is brought against unfair laws and change can be forthcoming.

We thank you for the opportunity of talking with you today. Sentry will continue to urge through its business presence in South Africa change in racially unfair government policies in that nation.

We also urge that you as the leaders of our Government encourage more, rather than less business participation, and that your goal, like our own, be to help the majority people of South Africa.

[Mr. Holmes' prepared statement follows:]

PREPARED STATEMENT OF VERNON HOLMES

Mr. Chairman and Members of the Committee. My name is Vern Holmes; I am Vice Chairman of the Sentry Insurance Group with World Headquarters in Stevens Point, Wisconsin. The group consists of domestic and international companies. In its entirety the group comprises twelve domestic property-casualty insurance carriers, three domestic life insurance companies, one insurance syndicate, a dozen foreign insurance companies and six non-insurance companies including a regional airline and a financial service company.

I have been asked to comment on our presence in South Africa, our objectives in being there and our experiences.

I am here to speak for our companies and for myself. What I tell you is what I have learned from our people who live and manage there. I have been to South Africa as recently as November.

Sentry has owned an insurance company in the Republic of South Africa since the early 70's. It basically conducts a life and disability insurance business. Our purpose in going into the country to do business was twofold. Our primary objective from the beginning has been to promote job opportunities and training for the majority population that will contribute toward a peaceful transition to a full and proper role in the government of that country.

Secondary to this primary objective is our hope and intent to develop a profitable and growing business over a period of time.

Today we believe -- and our employees believe -- that we are making progress toward those goals.

At the time our Chairman began our first efforts to build an insurance company in South Africa, there was a prohibition that foreign companies in banking and insurance business could own no more than 10% of a domestic company. When our objectives, which I stated previously, were presented, the Minister of Finance waived the limitation rule and Sentry was allowed to own 100% of the company.

It would take many hours for me to describe the differences in conducting an insurance business in South Africa as compared to Wisconsin. Customs of the people, the language barriers and, yes, government rules make the installation of American business methods difficult. But we have generally overcome those difficulties. By importing the techniques and methods of U.S. business, we often run counter to the existing government rules and laws. Therefore, we see these American methods and techniques as a force that is working to change these laws and rules.

Sentry's involvement in business in South Africa is not a large one, but we believe it is effective. Counting our sales and non-sales employees, we employ about 540 people there. Almost 500 are black -- the minority are Asian and white. Wage levels, benefits, pensions, housing loans, and other insurance industry practices are completely non-discriminatory and are in accord with the Sullivan Principles.

Because we are an insurance operation, our contribution is more than providing good, well paying jobs, benefits, education and training. Societies with strong middle classes need saving mechanisms and routes to financial security. Our life and disability protection for our black policyholders is helping provide and encourage savings and security, and therefore, we believe we are instrumental in the beginning building of a black middle class in South Africa.

Our primary purpose and objective in operating the Company in South Africa is to encourage the majority population to gain management experience. We have an agreement with them and the government that they will own the Company totally at the time when they have developed sufficient management skill to operate it and have earned the commission dollars to purchase the Company.

We strive to create change in South Africa.

We seek the abandonment of apartheid there and the equality for all people -- in work opportunities, education and totally within the society.

At Sentry, we take a different tack than those who advocate divestment. We see the pain of unemployment there, the threat of unrest, violence, even revolution if we and nearly 300 other U.S. firms are forced to withdraw from South Africa. We would keep the body whole there and treat its ills with the medication of equal job, education and training opportunities.

Our efforts and our investment in South Africa are in support of our position that instead of disinvestment, increased American participation in the South African economy should be encouraged.

We would welcome other companies who would join with us in efforts to upgrade the educational and management skills of black South Africans and help them form businesses of their own.

If the U.S. government would provide special assistance through American companies to accomplish these goals, so much the better.

We believe that the customs, practices and rules of American business totally contradict the discriminatory practices followed in that country. American business practice is inherently anti-apartheid. Certainly, then, it is by the enlargement of that business and not by its withdrawal that pressure is brought against unfair laws and change can be forthcoming.

Of course, there are those who believe that by forcing American companies to abandon Africa will, in turn, force the white leaders of

Africa to abandon apartheid. In our view, this is an emotional effort that while well-intentioned, will cause the removal of the one presence in that country that has the clout to expedite the changes that are needed.

Thank you for the opportunity of talking with you today. Sentry will continue to urge, through its business presence in South Africa, change in racially unfair government policies in that nation. We also urge you as the leaders in our government, to encourage more rather than less business participation and that your goal, like our own, be to help the majority people of South Africa.

The CHAIRMAN. Thank you very much, Mr. Holmes.

Mr. MURPHY.

STATEMENT OF PAUL T. MURPHY, VICE PRESIDENT, GOVERNMENT AFFAIRS, NATIONAL FOREIGN TRADE COUNCIL, WASHINGTON, DC

Mr. MURPHY. Thank you, Mr. Chairman.

I do have a written statement which I ask to be included in the record.

The CHAIRMAN. It will be included in full.

Mr. MURPHY. I am pleased to appear before the committee on behalf of the National Foreign Trade Council, whose approximately 600 members represent foreign investment. The council believes that South Africa's racial policies are repugnant and must change, and that U.S. policy and U.S. companies should play a role in that change.

U.S.-based companies represent a small part of South Africa's total economy, but they play a useful, even catalytic role in promoting positive change there. Therefore, we are strongly opposed to policies which would have the effect of causing U.S. firms to abandon their involvement in South Africa.

The National Foreign Trade Council has urged all its members with affiliates in South Africa to subscribe to the Sullivan principles. The 152 companies which have signed the principles have agreed to improve not only the working conditions, skills, job status, and earnings of nonwhites, but also to enhance the quality of life outside the work place for nonwhite employees, their families, and their communities.

The achievements in these areas are a matter of record. Well over $100 million has gone into this effort.

Mr. Chairman, I would like to insert also for the record a copy of "Meeting the Mandate for Change," which is a progress report on the application of the Sullivan principles.

The CHAIRMAN. It will be inserted.

Mr. **Murphy**. Moreover, U.S. companies have had an effect far beyond their small presence. They have directly influenced South African companies and business associations to advocate legalization of unions for black workers and the reduction of employment discrimination.

In a visible example of the fruits of this effort, six major African employer groups, including Afrikaaner and black groups last January issued a manifesto opposing apartheid and calling for broad political and economic participation for the black majority.

Finally, the signatory companies took an important step last December by pledging publicly to work directly for the elimination of apartheid. Some have proposed that the Sullivan principles be codified and made mandatory for all U.S. companies operating in South Africa. We believe that this would be unintended reverse effects.

Why do we think this result would follow? Well, first and foremost, the strength of the Sullivan principles lies in their voluntary nature. If they were made mandatory, caution, not creativity, would become the byword, especially for South African managers, who would then by law become agents of U.S. policy.

If the principles had been mandatory from 1977, there is a strong possibility that some of the most ambitious efforts would not have been undertaken. Moreover, the principles themselves are not objective standards, but rather, as the name states, principles to be followed.

Therefore, in spite of the best efforts of the companies, they could not be sure that they would have met the implementing requirements of the statute.

Given the severe nature of the penalties proposed in some legislation before this committee, some companies might well conclude that their small investments do not justify the risk of living with such uncertainty.

The council also believes that bans on new investment and other economic sanctions would be ineffective and counterproductive.

A recent historical study of economic sanctions concluded that very few economic sanctions achieve their goal, that they may well have the opposite effect from that intended, that sanctions are least likely to succeed when imposed unilaterally, and that it is virtually impossible for sanctions to change the policies of strong, independent-minded nations.

Our own recent history of sanctions applied against the Soviet Union should remind us of many of these points.

Additionally, the experience with economic sanctions against South Africa is discouraging. The arms embargoes of the early 1960's and 1970's motivated South Africa to become not only self-sufficient, but indeed a major arms exporter.

Finally, the sanctions approach would encourage a part of the South African political spectrum which would prefer to see that country become more on target and isolated from the influence of Western democracies.

Perhaps most supporters of sanctions suspect that such an approach actually offers little promise of provoking needed reforms. Rather, they feel that the value of sanctions, sanction proposals lies in sending a message or in the threat of implementation.

Such tactics will lead to further uncertainty about the state of economic relations with and within South Africa, and may cause even more businesses to rethink their investment plans. This would be unfortunate. Modern free enterprise and its need for well educated, well trained work forces may be one of the greatest enemies of apartheid.

This level of sophistication in the workplace cannot be achieved under the economic straightjacket of a political system that limits human potential and restricts freedom. Moreover, there are the indirect and underestimated effects of economic growth on social change.

Investment creates the growth which both enhances the climate for social change and gives nonwhite South Africans the economic power which will lead to greater political voice.

We appreciate the view in Congress that some further measures may be needed to express American opposition to apartheid. We recommend an approach that would include active support of and encouragement to these elements within South Africa, including business and labor unions and others who are committed to positive change.

This should be combined in a forceful bilateral-multilateral effort against apartheid.

In summary, the National Foreign Trade Council finds the racial policies of South Africa incompatible with either the fundamental ethics of American society or the practical business requirements of a free economy.

American firms have been a leading force for peaceful change through direct and public opposition to apartheid policies and by training and employment practices which will result in greater economic and inevitably political power.

Economic sanctions will not force the Government of South Africa to change any faster. On the contrary, they could well retard or reverse the progress being made. And sanctioned appear contrary to the interests and wishes of many South African blacks.

A better path is to encourage all groups and institutions interested in the elimination of apartheid to work together toward a peaceful solution to that tragedy.

Thank you, Mr. Chairman.

[Mr. Murphy's prepared statement follows:]

Testimony of
Paul T. Murphy
Vice President, Government Affairs
The National Foreign Trade Council
before the
Committee on Foreign Relations
United States Senate
Hearings on South Africa
May 22, 1985

The National Foreign Trade Council is a private, non-profit organization with a membership of more than 550 U.S. companies engaged in international business. Since 1914, when it was established, the Council's aim has been to promote the expansion of American trade and investment. To this end the Council has advocated an open international economy and the reduction of barriers to trade and investment.

The purpose of these hearings is to solicit views on the most effective U.S. response to apartheid.

The Council believes that South Africa's racial policies are repugnant and must change and that U.S. policy and U.S. companies should play a role in that change. Our view is based on a concern for the present and future welfare of our members' employees in South Africa as well as for the security of our investments.

U.S.-based companies represent a small part of South Africa's economy, but we believe that they play a very useful, even catalytic role in promoting necessary change. Therefore, we are strongly opposed to policies which would have the direct or indirect effect of causing affiliates of U.S. firms to abandon their involvement in South Africa.

Nonetheless, we appreciate the view in Congress that some measures may be needed to express American opposition to apartheid and our outrage at the violence in South Africa which is the direct result of the government's attempts to maintain apartheid. The elimination of apartheid should be an objective of U.S. policy. To this end we recommend an approach that would include the following elements:

1. Conduct a forceful bilateral and multilateral diplomatic effort against apartheid.

2. Encourage the elimination of apartheid through peaceful change in South Africa with moral support and tangible resources.

3. Encourage voluntary support by U.S., South African, and third-country companies of employment standards which promote equal opportunity, respect for human dignity, social responsibility, and economic advancement.

4. Avoid measures which intentionally or unintentionally result in disinvestment by U.S. companies.

5. Avoid reliance on unilateral economic sanctions to solve political problems.

6. Avoid actions which would widen the gulf between the government and non-whites and which would encourage further violence and repression.

Various proposals for legislation dealing with South Africa will come before the Congress. We urge you to support provisions which are consistent with these principles and to reject those which are not.

Two bills now before the committee, S. 995 and S. 1020, contain a mix of proposals, some of which would reinforce the prospects for positive social change and some of which would retard such change.

Both bills would support additional scholarships for blacks, increased human rights activities, targeting of OPIC and Eximbank activity to encourage black-owned businesses, and adherence by the U.S. government to the highest standard of U.S. fair labor practices in its employment practices in South Africa. We endorse these proposals because they would enhance the environment for economic and social change in South Africa.

S. 995 and S. 1020 also recognize the positive contributions to social and economic progress made by affiliates of U.S. companies in South Africa and call on them to respect standards of fair labor practices which are derived from the Sullivan Principles. Both bills go further, however, and impose penalties for non-adherence which may have undesirable effects on the overall United States effort to modify

South Africa's racial policies. In S. 995 the penalty for failing to "implement" these principles would be a ban on new investment in South Africa and a denial to the parent company of U.S. government "intercession" in exporting activities worldwide. In S. 1020 the penalty for a company's failure to sign a code of such principles would be a prohibition of all U.S. export and foreign investment assistance worldwide.

The NFTC has urged all companies with affiliates in South Africa to subscribe to the Sullivan Principles because they represent the best vehicle for exercising corporate responsibility in South Africa--providing a context for peaceful change and the economic power sought by black South Africans. Today 154 companies have accepted a commitment that is unique in the international business environment. Those companies which are signatories of the Sullivan Principles (accounting for over 80 percent of the employees of all affiliates of U.S. companies in South Africa) have agreed to improve not only the working conditions, skills, job status, and earnings of non-whites, but also to enhance the quality of life outside the workplace for workers, their families, and their communities. The achievements in these areas are a matter of record. Over $100 million has gone into this effort.

Moreover, U.S. companies have directly influenced South African companies and business associations to advocate reductions in employment discrimination and legalization of unions for black workers--a key development in helping blacks to organize politically and economically against apartheid.

A further example of the catalytic effort by U.S. companies occurred in January when six major South African employer groups, including Afrikaaner and black groups, issued a "manifesto" opposing apartheid, calling on Pretoria to broaden political and economic participation for the black majority.

Finally, the companies took an important additional step last December: they pledged publicly to work directly for the elimination of apartheid. Such opposition to apartheid is not new activity. For example, in 1982 the U.S. business community in South Africa broke with its policy of only private criticism of apartheid when it organized a petition to the government opposing the Orderly Movement Bill which would have tightened the already onerous restrictions on free movement in South Africa. That bill was withdrawn. At the December 1984 meeting of Sullivan companies, however, they went even further, making an open-ended commitment to fight apartheid and permitting an independent audit of their efforts. As a result of such commitments U.S. companies having operations in South Africa have become agents for social change--a fact acknowledged by both non-white South Africans and the government.

Why then would it be bad policy to mandate such principles for South

African affiliates of U.S. firms? There are several reasons. First, and most important, the strength of the Sullivan Principles lies in their voluntary nature. Making them mandatory would result in caution, not creativity, in their implementation because the companies and their employees would then, by law, become agents of U.S. foreign policy. Second, besides this negative psychological impact, mandatory standards could create a legal conflict of interest for managers in South Africa if requirements under U.S. law forced South African authorities to prosecute these managers for violations of South African law. Third, the principles themselves are not objective standards. Therefore, companies could not be sure that they would be found to have met the "implementing" requirements of the statute and, given the severe nature of the penalties for failure to implement these principles properly, some companies could conclude that their small investment in South Africa did not justify living with such uncertainty. (The wording of S. 1020 avoids this problem by requiring only that a company become a signatory with, presumably, a published rating of its performance by an auditing company.)

Section 11 of S. 995 would call for possible economic sanctions against South Africa and against affiliates of U.S. companies in South Africa if that government failed to make significant progress towards the elimination of apartheid within two years. Specifically, the President could then ask the Congress to impose bans on new investment, on the importation of krugerrands, on bank loans, and on computer sales to the South African government.

Many supporters of sanctions against South Africa do believe such actions will force the government to collapse or to change more rapidly. But the history of economic sanctions and the history of South Africa put the burden of proof on them, particularly in light of the suffering it would impose on the South African blacks. A recent historical study by the Institute for International Economics concludes that very few economic sanctions achieve their goal; that many have the opposite effect from that intended; that sanctions are least likely to succeed when imposed unilaterally; and that it is virtually impossible for sanctions to fundamentally change the policies of strong, independent-minded nations. Our own recent history of sanctions applied against the Soviet Union should remind us of many of these points.

Additionally, the experience with economic sanctions against South Africa is discouraging. The arms embargoes of the early '60s and '70s produced just the opposite effect from that intended, motivating South Africa to become not only self sufficient but, indeed, a major arms exporter.

Finally, the sanctions approach would encourage a part of the South African political spectrum which would prefer to see that country become more autarkic and isolated from the influence of western democracies.

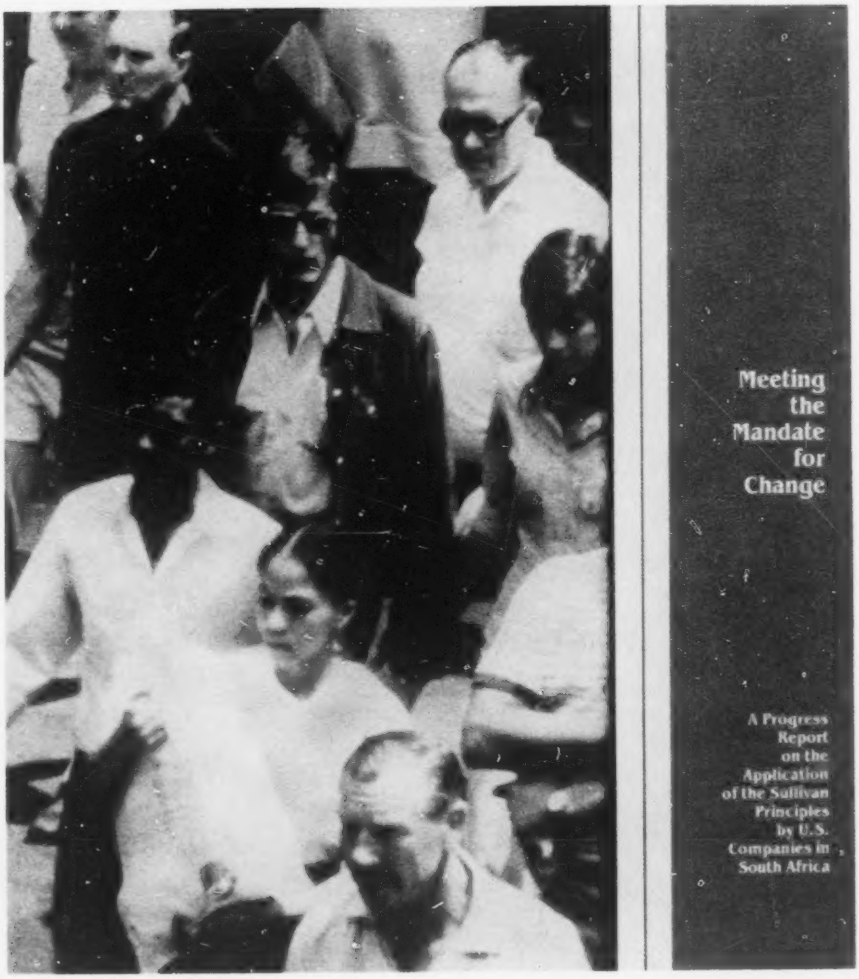
Perhaps most supporters of sanctions suspect that that approach actually offers little promise of provoking needed reforms. Rather, they feel that the value of sanctions lies in the threat of implementation, as embodied in the provisional sanctions in Section 11 of S. 995. This may be true to a point since the South African government has its own reasons for not wanting to see sanctions imposed. But such tactics ignore the likelihood that further uncertainty about the state of economic relations with and within South Africa may cause even more businesses to rethink their investment plans. We believe this would go against the interests of the U.S. and of all South Africans since, as noted above, the business community in South Africa, led by the example of U.S.-owned companies, has become one of the strongest voices against apartheid.

Modern free enterprise and its need for a well-educated, well-trained work force may prove to be one of the greatest enemies of apartheid. The most direct evidence of this is the realization in the South African business community that future profits depend upon South Africa becoming a modern, technological society, and that this cannot be achieved under the economic straitjacket of a political ideology that limits human potential and restricts freedom. Second, there is the indirect and underestimated effect of economic growth on social change. Investment creates the growth which both enhances the climate for social change and gives non-white South Africans the economic power which will lead to a greater political voice.

Also important to the 22 million black South Africans and the millions of migrant workers from neighboring countries are the immediate economic benefits from growth. As the U.S. ambassador to South Africa recently said: "The grim reality in South Africa is that the economy must create 250,000 new jobs every year if unemployment and all the misery and bitterness that go with it are not to spin out of control, and the gaps in education and housing are not to widen. Without efforts to train blacks for responsible and skilled positions, this growth cannot occur."

Many South African opponents of apartheid support the continued presence of U.S firms in South Africa because it represents a positive force for change. Their opinions are echoed in the 1984 University of Natal study of black workers in South Africa. That study found that more than 70 percent of the workers wanted U.S. companies to remain in South Africa. Interestingly enough this same survey showed strong support for the outlawed African National Congress. The study has been challenged, but not refuted, by those advocating the economic and political isolation of South Africa. Similarly, in the wake of recent violence, a Harris Business Week poll in the U.S. disclosed overwhelming opposition to the withdrawal of U.S. companies, while coupled with support for a firm U.S. response to the government of South Africa.

In summary, the NPTC finds the racial policies of South Africa incompatible with either the fundamental ethics of American society or the practical business requirements of a free economy. American firms, through adherence to voluntary standards of social responsibility, have been a leading force for peaceful change away from apartheid. They are doing this through direct and public opposition to apartheid policies and by training and employment practices which will result in greater economic and, inevitably, political power. Punitive actions will not force the government of South Africa to change any faster. On the contrary, they could well retard or reverse the progress being made, and sanctions appear contrary to the interests and wishes of South African blacks. The best way to deal with the situation is to encourage all groups and institutions interested in the elimination of apartheid to work together towards a peaceful solution to that tragedy.



Meeting
the
Mandate
for
Change

A Progress
Report
on the
Application
of the Sullivan
Principles
by U.S.
Companies in
South Africa

"Considering where we started, only seven years ago, we have made almost unbelievable progress in advancing the well-being of the black people of South Africa. We have made more progress in this regard in those seven years — educating our black brothers, providing job training and higher-paying jobs and supervisory jobs, and management jobs, improving the medical care and health programs, providing decent housing, doing all the things the Sullivan signatory companies have committed to do. I'm proud of the job the U.S. companies have done and are doing in South Africa. But it's not enough, and I keep saying to the companies: we must do more, more, more . . . we must move faster, faster, faster."

— Rev. Leon H. Sullivan
(to the signatory companies,
New York, November [illegible] 1983)

PRINCIPLE ONE
PRINCIPLE TWO
PRINCIPLE THREE

PRINCIPLE FOUR

PRINCIPLE FIVE

PRINCIPLE SIX

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The Sullivan Principles and the Role of U.S. Companies in South Africa

In 1971 the Rev. Leon H. Sullivan of the Zion Baptist Church in Philadelphia was elected to the board of directors of the General Motors Corporation and to the astonishment of his fellow directors proposed that GM should "get out of South Africa" in protest against the apartheid system.

Persuaded that withdrawal was not a practical possibility, the Rev. Sullivan, at the urging of black South Africans, settled in 1977 for his second choice – if GM and other U.S. companies were going to stay in South Africa, they should operate by a stringent code of conduct that would help raise up the blacks economically, educationally and socially, and they should use their influence to change the system.

Today, the Sullivan program is part of a broader effort by South African Companies and those of many nationalities to advance the status of blacks. The efforts of the Sullivan organization are being multiplied by many businesses and business-related and-supported organizations in South Africa.

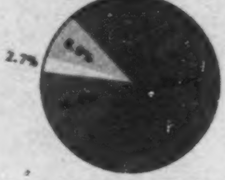
The code drawn up by the Rev. Sullivan, in conjunction with 12 companies, was formalized in 1977. In 1984, the number of signatories has risen to 121, including most of the major U.S. employers in South Africa. Seventy-four percent of the workforce employed by U.S. companies work for Sullivan Signatories.

By the late 1970's the main elements of the monitoring apperatus were in place:

- An administrative arm, the International Council for Equality of Opportunity Principles, Inc. (or ICEOP), with Daniel Purnell as administrator, located in Philadelphia not far from the Zion church;
- A consulting firm, Arthur D. Little, Inc., of Boston, to provide annual ratings for the signatory companies on their performance in South Africa, with Reid Weedon, senior vice president, as the supervising executive;
- An Industry Support Unit, composed of representatives of the signatory companies serving as the fund-raising arm to provide for expenses and to coordinate policy and planning; and
- A series of eight U.S. Task Forces made up of signatory company representatives, each concentrating on a particular aspect of the Sullivan Principle effort and coordinating company efforts in that area, with Sal Marzullo of Mobil Oil as general chairman.

Similar Task Forces were established in South Africa, with groups of local businessmen working on the application of the principles in concert with their U.S. counterparts. In 1983 a coordinator for the South African Task Groups was appointed. He is Roger Crawford, of Ethnor, a Johnson & Johnson affiliate.

Year by year new requirements have been adopted by the companies. A new questionnaire is developed by Arthur D. Little each spring – the 1983



Population as of 1980*			
	73.0%	Blacks —	21,322,000
	15.4%	Whites —	4,488,000
	8.9%	Coloreds —	2,612,000
	2.7%	Asians —	794,000
		Total —	29,216,000

*Figures provided by South African Embassy. Combined with separate figures for Homelands.

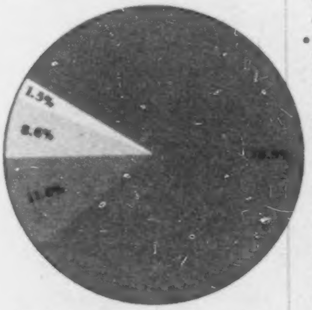
questionnaire was 55 pages long – for completion by each member company. These reports, detailing the companies' activities in behalf of blacks in South Africa, are then certified by and filed with Arthur D. Little. Each autumn, about November 1, new ratings for each signatory company's performance in South Africa are published. These and other matters are discussed in regular meetings between the signatory company representatives and the Rev. Sullivan.

The effort of the signatory companies to the Sullivan Principles is in several ways unique:

- It is a voluntary organization of the U.S. companies who have agreed to follow a code, and who have agreed to be rated annually by an objective process on their performance as socially responsible citizens;
- It is an organization supported by voluntary contributions of funds by the members; and
- It is probably the only group of financial and industrial companies in history devoted to helping the advancement of particular racial groups in a country other than their own.

This booklet chronicles the accomplishments of the companies that have signed the Sullivan code and thereby committed themselves to operate by that code in South Africa. In reading it, it should be noted:

- The term "black" as used in these pages also includes two minorities in South Africa – coloreds, or persons of mixed race, who constitute 8.9% of the population, and Indians, (known in South Africa as "Asians"), who make up 2.7% of the population. Blacks form the preponderance of the South African population – 73%, compared to 15.4% whites.
- The statistical presentations are the best that can be managed. Statistic-keeping rules for the program have been changed and expanded during these early years and the emphasis of the program has changed and evolved as well. But such statistics as are available (beyond those presented in brief form here) all tend to confirm the general lines of the trends indicated. It should also be noted that no comparable statistics exist covering either non-signatory U.S. companies or South African-owned businesses engaged in this field of socially responsible conduct. All data, unless otherwise specified, have been supplied by Arthur D. Little. (Arthur D. Little expenditure statistics were provided in rand. The rand figures were converted to dollars for each reporting year based on the exchange rate as reported in the Wall Street Journal for the first business day in January.)



Population as of 2010**

78.9%	Blacks —	55,094,000
11.0%	Whites —	7,753,000
8.6%	Coloreds —	6,074,000
1.5%	Asians —	1,952,000
	Total —	70,573,000

**Projections for 2010 provided by State Department. The same rates of population increase by race within Republic of South Africa were used in drawing estimates for Homelands.

Daniel Purnell

[illegible]

Sal Marzullo

Roger Crawford

Some Data on the South African work-force and the Sullivan Initiative

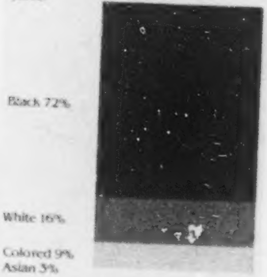
Of South Africa's 9.4 million member* workforce, only one in six today is a white person. Almost three-quarters of the workforce is black.

By the end of 1982, 146 U.S. companies had committed their support to the Sullivan Principles. In 1983 the number of signatories fell to 120 when the Sullivan organization dropped some companies for failure to pay their annual "dues" to the Industrial Support Unit and some others chose not to remain active signatories.

Significantly, the number of signatory companies filing annual reports remained almost stationary: 99 in 1983 compared to a high of 101 in 1981.

Total South African Workforce: 9.4 Million

Of South Africa's 9.4 million workforce, 7.9 million are nonwhite, or 84%. Blacks make up 86% of the nonwhite workforce.



Sullivan Participation by U.S. Signatories

	# Sullivan Sigs	# Employees	# Reporting Sigs	% Reporting Sigs**
1977	105	—	—	—
1978	117	51,488	81	94.2
1979	135	55,671	97	94.2
1980	137	78,572	100	87.0
1981	144	83,133	101	87.1
1982	146	69,015	93	82.5
1983	120	66,175	99	88.4

99% of the Sullivan Signatory companies are in compliance with Principle One — desegregation of all facilities — and have been for the past two years.

All of the Sullivan signatory companies are in compliance with Principle Three — Equal Pay for Equal Work — and have been for the past three years.

Since 1980 the average annual pay increase for whites employed at Sullivan signatory companies in South Africa has been 16%; and for black employees at the same companies it has been 20%.

Most U.S. companies in South Africa pay well. The Sullivan Principles require that signatories pay their lowest paid employees at least 30% more than the minimum established level. In 1982 80% of reporting companies fulfilled this requirement. By 1983 the compliance rate had increased to 90%.

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*Based on figures supplied by [illegible]

** Percentage calculated by dividing the number of Reporting Signatories by the number of Sullivan Signatories who should have reported [illegible]

Wage of Lowest Paid Employee Related to Minimum

Percentage by which entry pay exceeds MLL* or HDL**	1982 Reporting Units #	1982 Reporting Units %		1983 Locations† #	1983 Locations† %	
less than 0	4	3		5	3	
0	1	1		2	1	
1-29	17	15		11	6	
30-50	53	44	81%	97	53	90%
51-75	28	23		48	27	
76-100	11	9		12	6	
more than 100	5	4		7	4	
no answer	1	1		0	0	
TOTAL	120	100		182	100	

[illegible]

Non-segregation of the Races in All Eating, Comfort, and Work Facilities

PRINCIPLE ONE

Equal and Fair Employment Practices for All Employees

PRINCIPLE TWO

Equal Pay for All Employees Doing Equal or Comparable Work for the Same Period of Time

PRINCIPLE THREE

Desegregation* & Equal Pay** Sullivan Reporting Signatories

	% Desegregated	% Equal Pay/Equal Work	% White Pay Increase	% Black Pay Increase	Inflation Rate†
1977	69	—	—	—	—
1978	73	96	—	—	—
1979	75	98	12	16	13.2
1980	80	99	14	20	13.8
1981	95	100	18	25	15.2
1982	99	100	19	23	14.7
1983	99	100	15	19	12.1††

[illegible]

PRINCIPLE FOUR

Initiation and Development of Training Programs That Will Prepare Blacks, Coloreds, and Asians in Substantial Numbers for Supervisory, Administrative, Clerical, and Technical Jobs –

Education and Training Programs for Black Employees

	Number of Black Employees Participating in Education and Training Programs		Dollar Contributions to Run Black Employee Education and Training Programs	
	1982	**1983**	**1982**	**1983**
Basic Training	3,286	12,383	$ 277,285	$ 215,090
Industry Training Centers	N/A	N/A	2,919,856	5,460,044
Scholarships	1,009	986	406,700	337,274
TOTAL	4,295	13,369	$3,603,841	$6,012,408

Racial Composition of Training Programs Sullivan Signatories

Blacks as % of Total in Training Programs

	Skilled	Sales	Clerical	Supervisory	Managerial
1980	43	21	50	12	25
1981	55	50	53	42	11
1982	51	52	50	44	15
1983	52	54	58	40	18

Numbers of Blacks in Training Programs

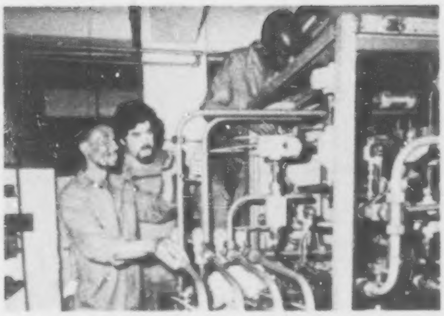
						TOTAL
1982	2,388	880	815	1,174	287	5,544
1983	3,374	1,002	861	1,434	51	6,942

Increasing numbers of black employees at U.S. companies in South Africa are being trained in "basic" skills – language training (for proficiency in English), mathematics, and other basics.

The rapid expansion of "Industry Training Centers" in South Africa, where blacks are provided job training, is being supported in growing measure by the financial backing of U.S. companies.

Scholarships and bursaries continue to be heavily supported by U.S. companies, with about 1,000 being funded each year for employees of U.S. companies in South Africa.

Blacks in rapidly increasing numbers are being trained for advancement in skilled, sales, clerical, supervisory, and managerial positions.



Two black employees getting instructions from the Workshop Foreman in the assembly of a hydraulic unit.

Blacks as % of Total in Supervisory and Management Categories, Sullivan Reporting Signatories

16.7	1979
21.8	1980
25.2	1981
21.6*	1982
21.2*	1983

*Decrease in 82 and 83 is likely a result of the recession

PRINCIPLE FIVE

Increasing the Number of Blacks, Coloreds, and Asians in Management and Supervisory Positions

Jacob George, left, and his wife attend Goodyear's annual banquet honoring supervisors, artisans and trainees. Mr. George supervises the 32 employees in the conveyor belting department. At right are Mr. & Mrs. Clarence [illegible]. He is a shift foreman at Goodyear Tire & Rubber Co. (South Africa).

Management meeting at Coca-Cola

All South Africans work together in desegregated facilities at Citibank.

Number of Blacks in Education and Training Programs Supported by Sullivan Reporting Signatories

Scholarship and Tuition Refund Programs

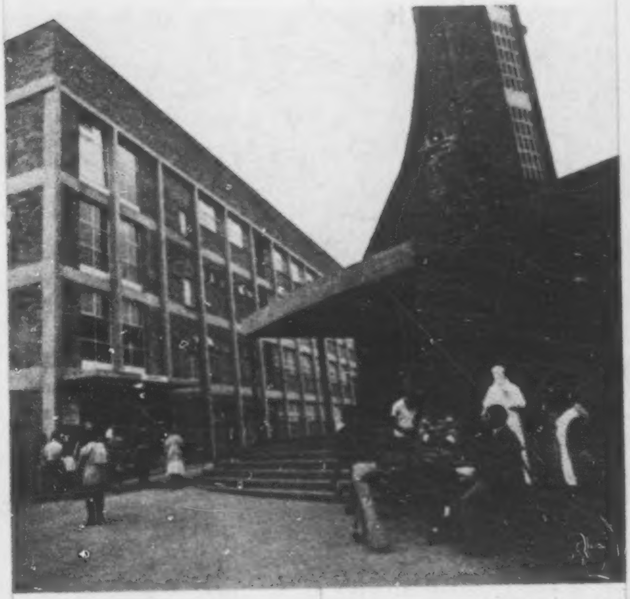
	1979	1980	1981	1982	1983
Non-Employees	–	21,347	65,363	21,841	22,154
Employees	5,077	4,919	2,545	4,295	13,369
Sub Total	5,077	26,066	67,908	26,136	35,523
Job Advancement Training (Employees)					
In-House	4,221	11,506	15,275	13,232	11,820
Outside	–	1,659	1,317	1,427	2,765
Sub Total	4,221	13,165	16,592	14,659	14,585
TOTAL	9,298	39,231	84,500	40,795	50,108

How U.S.Companies Help Blacks Train for Jobs: The Story of St. Anthony's School

They're called industry training centers. Sometimes they're called technical training centers; sometimes they have other titles. By whatever name, they're the places where thousands of black South Africans are acquiring the educational basics and job skills to enable them to move into responsible jobs in industry and commerce.

One of these is St. Anthony's School at Boksburg in the Transvaal. Here some 5,000 blacks get technical training at day or evening courses. The multi-racial center is supported in both a financial and a management sense by South African, American and European multi-national companies.

In schools of this kind, black progress is made visible. Hopes are kindled. Futures are decided.



Exterior
St. Anthony's

Students at St. Anthony's training center supported by Sullivan Signatories.

Students attending class at a technical center supported by subsidiaries of U.S. corporations.

IBM Video Education Project

The PACE Commercial College enrolled its first students in July 1981. PACE, a privately funded school in the black township of Soweto, offers a five-year program. American companies, under the auspices of the American Chamber of Commerce in South Africa, provided the initial funding and leadership necessary to design, organize and ultimately build and furnish this unique school.

According to the 1983 enrollment brochure, the aims and objectives of PACE are:

"To give an education of the highest quality leading to a commercial matriculation in order to prepare pupils for university courses, professional diplomas, or business careers.

"To provide an enriching and comprehensive extra-mural programme for fostering qualities of leadership and encouraging a sense of responsibility and service towards the community at large.

"To instill a confidence in each pupil of his or her individual worth in order that a sense might be gained of being educated for life rather than merely being trained for a living."

Acceptance into the school is based on age and merit. Parents must pay a set portion of the fees. In cases of real need or merit, the parents' portion may be waived. Merit is the essential criterion. The balance of fees is met by scholarships from the private sector.

PACE Commercial College, the first of its kind in South Africa.

PACE College
Rex Pennington – Headmaster

Oswald Mtshali – Deputy Headmaster

PACE College
View of School

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Black Employees of U.S. Companies speak for themselves

1. SR. KATE MALIMELA — NURSING SISTER

"I am a qualified staff nurse. I began my employment in August 1973. We have four active non-white first aiders, who were trained at St. John's Ambulance for which the company paid. They take over during my absence from work. A qualified doctor comes twice weekly.

"All employees are Chest X-Rayed yearly at our premises for which the company pays. Only eight out of about 300 workers have been found to have TB. Those with TB are getting daily treatment from me, in cooperation with the Public Health Department. If a worker is admitted to the hospital, the company provides him with food and I pay them regular visits. Their jobs are kept for them. We have a personnel officer who assists us with all our problems. I could write a book on what this company does for non-Whites."

2. WASHINGTON MGCOTYELWA — SETTER IN MACHINE SHOP

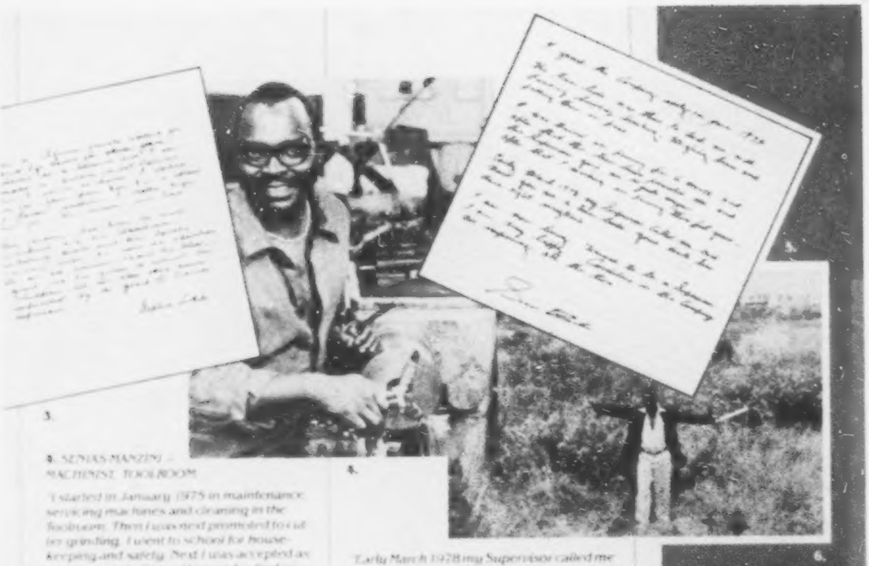
"I have grown up with this company, starting on the 8th of December, 1971. My first job was housekeeping. In 1972, the company bought a 4 Station No. 5 machine and taught me how to operate it.

"In September of 1979, I was taught how to operate the grinding and setting of the machines, and in 1980, I started as a learner setter. And now I am happy and enjoying my job. Alfred Teves Engineering gives our country a lot of improvements. May God help me to spend the rest of my life with this company. I have now served 9 years and two months with the company."

3. DAPHNE LUTHULI — BEECHNUT COLOR AND FLAVOR DISPENSER

"I am a African female working for Beechnut Life Savers for eleven years. I started as a labourer and I was promoted to Quality Control Depatment where I worked as checker. I worked there for four years. Now I'm a colour and flavour despenser. I really enjoy this job. The salary isn't bad.

"This factory has been so much improved e.g. our cloakrooms, washing places and our lovely Canteen will be soon in operation. We are all pleased about the School grant we are given to educate our children. We are also very much impressed by the group of trainee supervisors."



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4. SENIAS MANZINI – MACHINIST, TOOLROOM.

"I started in January 1975 in maintenance servicing machines and cleaning in the Toolroom. Then I was next promoted to cutter grinding. I went to school for housekeeping and safety. Next I was accepted as artisan on grinding cutters and cylinders, and transferred as toolmaker, turning and fitting. Now I plan to train as toolmaker.

"I am satisfied with the company as it is nonracial and we now have our own black nursing sister who understands us better in our own language. A doctor comes twice a week for which the company pays.

5. SIMON BATHA – SUPERVISOR IN TRAINING.

I joined this company early in June 1975.

"The team leader was there to teach me with panning benches, breaking, weighing beams and putting them in pairs.

"I was trained in panning for 6 month and after that the team leader promoted me and the Supervisor gave me 1st grade wages. After that I working in panning three full years.

"Early March 1978 my Supervisor called me said now you are a team leader – your work has done right everytime.

"I am now being trained to be a Supervisor. I am very happy. Conditions at the Company are improving all the time."

6. ALFRED MAHLANGU – LEADING HAND.

"I started to work in January, 1977 as an operator in the Machine Shop, and during the past four years my wages have increased regularly. I have also successfully passed two courses at a Training Centre.

"Presently I am having a house built in Vosloorus with help from the company. Were it not for the black advancement programme I would never be able to build my own house. My wife and I are looking anxiously forward to move into our own home this year. My ambition is to become a toolsetter one day."

PRINCIPLE SIX

Improving the Quality of Employees' Lives Outside the Work Environment in Such Areas As Housing, Transportation, Schooling, Recreation, and Health Facilities.

U.S. companies are spending millions of dollars annually in support of education and training of blacks in the general population as well as among their own employees. In 1983 the annual expenditures for this purpose by Sullivan Principle companies amounted to nearly $5 million.

Education and Training Programs for Black Non-Employees by Sullivan Signatories

	1982		1983	
	# of People Participating	Dollar Contribution	# of People Participating	Dollar Contribution
Basic Training	14,136	$ 180,281	12,629	$ 303,990
Scholarships	7,705	1,262,215	9,525	1,237,748
Other Programs	—	751,650	—	1,263,730
TOTAL	21,841	$2,194,146	22,154	$2,805,468

U.S. companies, cognizant of the fundamental need to improve the quality of black education, are now investing in programs designed to raise academic standards and improve the teaching skills of black educators. Concurrently, remedial programs continue for today's black pupils to compensate for the existing inadequacies.

In terms of the time employees devoted to helping in various programs to improve the education and living conditions of the blacks in various ways, the 120 U.S. companies who are signatories of the Sullivan Principles provided each year for the past four years, on average, the equivalent of 229 full-time persons — an average of 57,072 employee days annually.

In 1983, 200 black schools in South Africa received aid from U.S. companies, and the average aid amount per school exceeded $4,000.

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CLEAN DUSTERS
WALLS

The Adopt-A-School program originated in Durban three years before the Sullivan Principles were established, and the Sullivan Signatory companies set a goal of adopting 100 schools among their member companies by the end of 1980. By late 1983 the number of "adopted" schools reached 200, and a campaign had been launched by a Johannesburg newspaper, supported by other South African groups, to have 1,000 black schools "adopted" by extending the program to other companies and institutions.

Adopt-a-School Programs
Sullivan Signatories

# of Schools	Dollar Contribution	
90	$1,177,814	1980
142	949,953	1981
150	630,800	1982
200	804,789	1983
	$3,563,356	TOTAL

Summary of Financial Contributions to Educational and Training Programs for Blacks by Sullivan Signatories (In 000's Dollars)

	Non Employees	Employees	Adopt A School	General Support	Annual Total
1978*	$ 1,200.8	NA	NA	NA	$ 1,200.8
1979*	1,559.7	NA	NA	NA	1,559.7
1980	4,254.5**	$ 3,743.1**	$1,177.8	NA	9,175.4
1981	2,053.1	3,118.5	950.0	$ 3,703.7	9,826.3
1982	3,094.7	3,603.9	630.8	2,081.8	9,410.9
1983	2,805.8	6,012.4	804.8	5,655.5	15,278.1
TOTAL	$14,968.6	$16,477.9	$3,563.4	$11,441.0	$46,450.9

Since 1978, financial contributions by Sullivan signatory companies to programs covering education and training have increased by a factor of 11 to a 1983 level of $15,278,100.

[illegible]

Employee Days Contributed in Education, Training, Advising and Assisting Blacks, Sullivan Reporting Signatories

	Number of Employee Days Contributed			
	1980	1981	1982	1983
Industry Training Centers ▶	6,649	2,555*	3,953	NA
Adopt A School ▶	3,967	2,418	2,864	4,058
General Support to Educational Institutions ▶	NA	5,105	5,683	7,114
Small Business Development Corporation ▶	NA	NA	209	155
Advising and Assisting ▶	NA	NA	88,859	94,740
TOTALS ▶	10,616	10,078*	101,568	106,067

[illegible]

Sullivan Signatory Contributions Outside the Business to Improve Health Care and Living Conditions* (In 000's of Dollars)

Housing	Health, Welfare, Civic	Recreation	Other	Total	
$ 23.2	$ 1,246.7	$ 49.2	$1,112.0	$ 2,431.1	**1978****
478.2	342.4	195.5	651.4	1,667.5	**1979****
1,671.1	588.0	659.4	680.9	3,499.4	**1980**
1,952.0	1,680.0	1,522.0	1,457.0	6,512.0	**1981**
1,612.0	1,565.0	1,102.7	1,272.9	5,301.5	**1982**
1,645.0	1,308.7	870.5	1,505.2	4,920.5	**1983**
$7,383.0	$6,300.9	$4,389.2	$6,257.4	$24,412.4	**TOTAL**

[illegible]

Viv Anderson, international soccer star, conducted numerous clinics for local youngsters. His trip to South Africa was organized and financed by a Sullivan signatory company.

Sullivan Signatory Contribution Summary

	Average $'s Per Employee				Average $'s Per Reporting Signatory			
	Education and Training	Health and Welfare	Black Entrepreneurship	Total	Education and Training	Health and Welfare	Black Entrepreneurship	Total
1978*	$ 23	47	NA	$ 70	$ 14,827	30,012	NA	$ 44,839
1979*	28	30	NA	58	15,876	17,196	NA	33,072
1980	117	46	NA	163	91,759	36,080	NA	127,839
1981	118	78	NA	196	97,287	64,485	NA	161,772
1982	136	78	78	292	101,194	57,860	57,720	216,774
1983	201	74	64	339	134,121	49,697	42,626	226,444

*[illegible]

Total $'s (000's)

	Education and Training	Health and Welfare	Black Entrepreneurship	Total
1978	$ 1,201	2,431	NA	$ 3,632
1979	1,540	1,668	NA	3,208
1980	9,175	3,608	NA	12,783
1981	9,826	6,513	NA	16,339
1982	9,411	5,381	5,368	20,160
1983	13,278	4,920	4,220	22,418
	44,431	24,521	9,588	78,540

One of the major new programs added by the Sullivan signatory companies in the early '80's has been a campaign to help black businesses get started in South Africa – and to support them with business once they do get started.

Help to aspiring black businessmen by U.S. companies is mainly taking the form of finance capital and expertise, the two main deficiencies in most new black businesses.

U.S. businesses are also helping combat bureaucratic red tape – the impenetrable thicket of permits required – another major deterrent to the launching of black businesses, by working with such organizations as the National African Federated Chamber of Commerce, the Management and Manpower Foundation, and the Career Development Program.

The aid provided by U.S. businesses ranges from consulting help and the installation of sophisticated accounting systems, to the subsidization of property rentals and the provision of scholarsnips and other assistance for young black students in economics, commerce, and science.

Richard Maponya, Soweto auto dealer, and Lou Wilking, managing director of General Motors South Africa, break ground for a GM showroom in Soweto. Looking on are Paul Morgensen, manager, dealer organization; Jim Fry, director, vehicle sales & service; and Mrs. Marina Maponya, recently named Black Business-Woman of the Year.

Sullivan Signatory Contributions Outside the Business in Support of Black Entrepreneurship (In 000's of Dollars)

	1982	1983
Support of Small Business Development Corporation	$ 455.4	$ 386.2
Consultancy and Assistance	$4,912.6	$3,834.2
TOTAL	$5,368.0	$4,220.4

Building Black Businesses in South Africa

The interior of one of the new Newtown houses at Athlone, on the Cape Flats. The houses, 37 duplex and 13 single-story dwellings, were developed and financed by Mobil Oil Southern Africa in collaboration with the self-help organization, Build a Better Society. The houses have a living room, kitchen, bathroom and three bedrooms.

Housing Assistance to Ford Employees

Looking Ahead

The Signatories believe that their continued presence in South Africa can do more to improve the status of blacks than withdrawal. Contributing to the process of peaceful change, is the overriding goal of the principles.

Many top Signatory executives serve on executive committees of influential South African commerce and industry organizations. Three such organizations – the Associated South African Chamber of Commerce, the Federated Chamber of Industries and The American Chamber of Commerce – have issued public statements in opposition to such proposed legislation as the Orderly Movement and Settlement of Black Persons Bill, intended to further limit the right of blacks to choose their place of residence. As a result of strong and unified opposition from these organizations, as well as from some political parties, this bill was withdrawn.

In reviewing the progress made from conception of the principles in 1977 – when blacks were not even legally considered "employees" – to today, seven years later, Dr. Sullivan summarizes the significant changes:

- In South Africa, as a whole, plants and offices are being desegregated.
- Blacks are being upgraded, to administrative and supervisory jobs.
- Blacks are supervising whites, for the first time.

- Black unions are now being recognized.
- Technical schools for training blacks have been built.
- Black businesses, in increasing numbers, are being started.
- Equal pay for equal work has been instituted.
- Companies have improved the quality of life for blacks outside the workplace: in housing, health care and education.

South Africa is a country whose internal fabric is under extraordinary pressure. While the basic injustice of apartheid is widely recognized, no single force in the society will produce pervasive reforms. Only a broad coalition of South African constituencies can do that. However, United States firms following the Sullivan Principles have had a significant impact. Their efforts serve as an impetus toward meaningful change.

Listing of the Signatory Companies of the Sullivan Principles (as of January 3, 1984)

AFIA Worldwide Insurance
Abbott Laboratories
American Cyanamid Company
American Express Company
American Home Products Corporation
American Hospital Supply Corporation
American International Group, Inc.
Armco Inc.
Ashland Oil, Inc.

Borden, Inc.
Borg-Warner Corp.
Bristol-Myers Company
Burroughs Corporation
Butterick Company, Inc.

CBS Inc.
CIGNA Corporation
CPC International, Inc.
Caltex Petroleum Corporation
Carnation Company
Carrier Corp.
J.I. Case Corporation
Caterpillar Tractor Co.
Celanese Corporation
The Chase Manhattan Corporation
Chicago Bridge & Iron Company
Citicorp
The Coca-Cola Company
Colgate-Palmolive Company
Control Data Corporation

Cooper Industries, Inc.
Cummins Engine Company, Inc.

D'Arcy MacManus & Masius Worldwide, Inc.
Dart & Kraft, Inc.
Deere & Company
Del Monte Corporation
Deloitte Haskins & Sells
Dominion Textile Inc.
Donaldson Company, Inc.
The Dow Chemical Company
E.I. DuPont de Nemours & Company

The East Asiatic Co. (S.A.) (Pty) Ltd.
Eastman Kodak Co.
Eaton Corporation
Engelhard Corporation
Exxon Corporation

FMC Corporation
Federal-Mogul Corporation
Ferro Corporation
The Firestone Tire & Rubber Company
John Fluke Manufacturing Company, Inc.
Fluor Corporation
Ford Motor Company
Franklin Electric Co., Inc.

General Electric Company
General Motors Corporation

The Gillette Company
Goodyear Tire & Rubber Co.
W.R. Grace & Co.

Walter E. Heller International Corporation
Hercules, Inc.
Hewlett-Packard Co.
Honeywell Inc.
Hoover Co.
Hyster Co.

International Business Machines Corporation
International Harvester Company
International Minerals & Chemicals Corporation
International Telephone & Telegraph Corporation
The Interpublic Group of Companies, Inc.

Johnson Controls, Inc.
Johnson & Johnson
Joy Manufacturing Company

Kellogg Company

Eli Lilly and Company

Marriott Corp.
Marsh & McLennan Companies
Masonite Corporation
McGraw-Hill, Inc.
Measurex Corporation

Merck & Co., Inc.
Mine Safety Appliances Co.
Minnesota Mining & Manufacturing Company
Mobil Oil Corporation
Monsanto Co.
Motorola, Inc.

NCNB Corporation
NCR Corp.
Nabisco Brands Inc.
Nalco Chemical Company
Norton Company
Norton Simon, Inc. (Avis, Inc.)

Olin Corporation
Oshkosh Truck Corporation
Otis Elevator Co.

The Parker Pen Co.
Pfizer Inc.
Phelps Dodge Corp.
Phibro-Salomon, Inc.
Phillips Petroleum Company

The Reader's Digest Association, Inc.
Revlon Inc.
(R.J. Reynolds Industries, Inc.)
See Del Monte Corporation
See Heublein, Inc.
Richardson-Vicks Inc.
Rohm and Haas Corporation

Schering-Plough Corp.

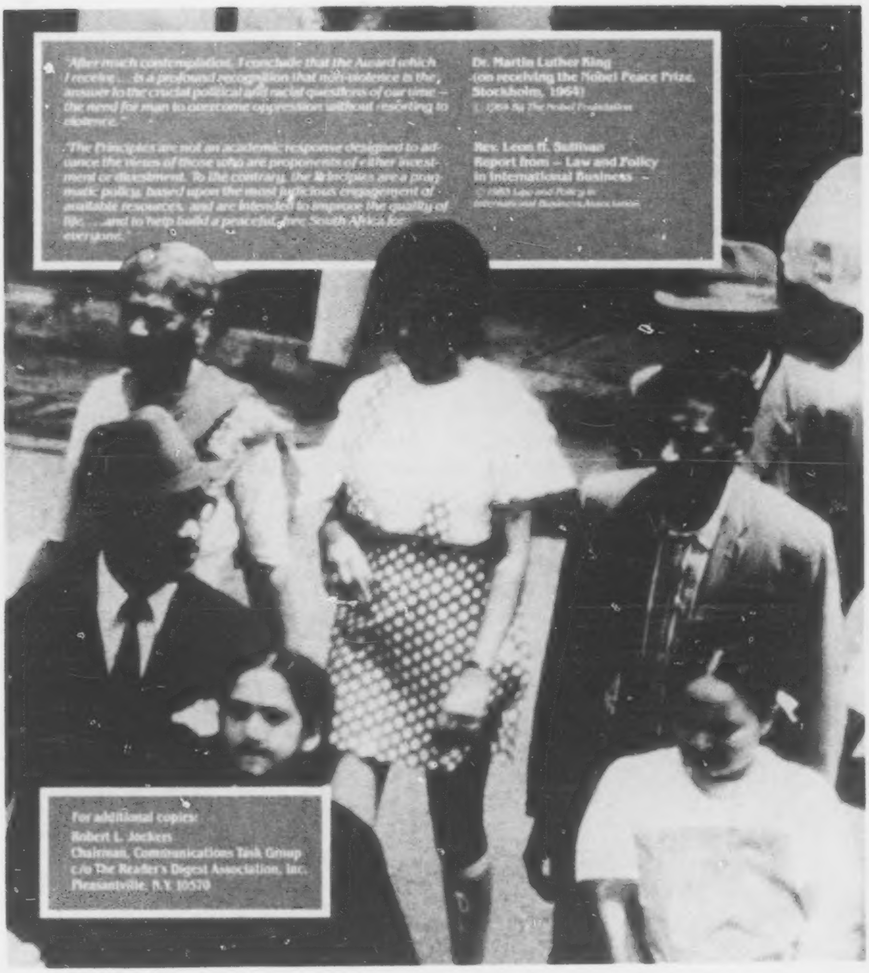
Sentry Insurance A Mutual Company
SmithKline Beckman Corporation
Sperry Corporation
Squibb Corporation
(Standard Oil Company of California)
See Caltex Petroleum Corporation
The Standard Oil Co. (Ohio)
The Stanley Works
Sterling Drug Inc.

Tampax Incorporated
(Tenneco, Inc.)
See J.I. Case Corporation
(Texaco Incorporated)
See Caltex Petroleum Corporation
J. Walter Thompson Co.
Time Incorporated
The Trane Company

Union Carbide Corporation
United Technologies Corporation
See Carrier Corp.
See Otis Elevator Co.
The Upjohn Company

Warner Communications, Inc.
Warner-Lambert Company
Westinghouse Electric Corporation
Wilbur-Ellis Company

Xerox Corporation



"After much contemplation, I conclude that the Award which I receive . . . is a profound recognition that non-violence is the answer to the crucial political and racial questions of our time — the need for man to overcome oppression without resorting to violence."

Dr. Martin Luther King
(on receiving the Nobel Peace Prize, Stockholm, 1964)
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"The Principles are not an academic response designed to advance the views of those who are proponents of either investment or divestment. To the contrary, the Principles are a pragmatic policy, based upon the most judicious engagement of available resources, and are intended to improve the quality of life, . . . and to help build a peaceful, free South Africa for everyone."

Rev. Leon H. Sullivan
Report from — Law and Policy in International Business
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ADDENDUM

MEETING THE MANDATE FOR CHANGE

Revised January, 1985

The material in this booklet remains essentially unchanged from the time it was written except for the numerical data.

We offer herewith 1984 data for the charts included.

In each case, refer to the page indicated and to the name of the particular chart on that page, and you will be able to derive updated information on the effort of the Signatory Companies to fulfill their mandate – to bring about change in South Africa.

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Chart: **Sullivan Participation by U.S. Signatories**

1984	#	Sullivan Signatories	128
	#	Employees	64,724
	#	Reporting Signatories	98
	%	Reporting Signatories	76.6

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Chart: **Desegregation of Equal Pay, Sullivan Reporting Signatories**

1984	%	Desegregated	100%
	%	Equal Pay/Equal Work	100%
	%	White Pay Increase	14%
	%	Black Pay Increase	16%
		Inflation Rate	

Page 7 cont.

Chart: **Wage of Lowest Paid Employee Related to Minimum**

1984:	**# Locations**	**% Locations**
Less than 0	2	1
0	0	0
1 - 29*	2	1
30 - 50	83	48
51 - 75	50	29
76 - 100	22	13
More than 100	14	8
No answer	0	0
TOTAL	173	100

* Does not include rural locations which have satisfied non-urban minimum wage requirements

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Chart: **Education and Training Programs for Black Employees***

1984:	**# of People Participating**	**Dollar Contributions**
* Basic Training	27,091	408,048
* Industry Train. Cent.	N/A	349,520
Scholarships	849	333,585
Total	27,940	1,091,153*

* Because of differing interpretations of "direct expenditures" in reporting Rand spent on training programs, a large sum of money was not recorded quantitatively by A. D. Little. Therefore, the total for Education and Training programs for black employees does not accurately reflect the effort of the Signatories.

Page 8 cont.

Chart: **Racial Composition of Training Programs, Sullivan Signatories**

1984:	**% of Blacks Participating**	**# of Blacks Participating**
Skilled	48	3,090
Sales	45	1,282
Clerical	45	806
Supervisory	43	1,490
Managerial	13	259
Total		6,927

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Chart: **Black as % of Total in Supervisory and Management Categories, Sullivan Reporting Companies**

1984: 23.2%

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Chart: **Number of Blacks in Education and Training Programs Supported by Sullivan Reporting Signatories**

Scholarship and Tuition Refund Program

1984:	Non-employees	10,330
	Employees	27,940
	Sub Total	38,270

Job Advancement Training (Employees)

1984:	In-House	7,620
	Outside	2,135
	Sub Total	9,755
	Total	48,025

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Chart: **Education and Training Programs for Black Non-Employees by Sullivan Signatories**

1984:	**# of People Participating**	**Dollar Contributions**
Basic Training	*	*
Scholarships	9,397	1,916,482
Other Programs	–	1,352,858
Total	9,397	3,269,340

* Not Recorded

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Chart: **Adopt-A-School Programs, Sullivan Signatories**

1984:	# of Schools	250
	Dollar Contribution	$1,243,965
	Total Dollar Contribution to Date	$4,807,321

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Chart: **Summary of Financial Contributions to Educational and Training Programs For Blacks by Sullivan Signatories (in 000's Dollars)**

1984:	Non-Employees	$3,269.3
	Employees	1,091.2*
	Adopt-A-School	1,244.0
	General Support	5,789.6
	Annnual Total (1984)	$11,394.1*

Chart: **Employees Days Contributed in Education, Training, Advising and Assisting Blacks, Sullivan Signatories – Number of Employee Days Contributed**

1984:	Industry Training Centers	N/A
	Adopt-A-School	4,948
	General Support to Ed. Inst.	8,552
	Small Business Develop. Corp.	234
	Advising and Assisting	97,704
	Total	111,438

* (See next page)

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Chart: **Sullivan Signatory Contributions Outside the Business to Improve Health Care and Living Conditions (in 000's Dollars)**

1984:	Housing	$2,332.4
	Health, Welfare, Civic	2,441.9
	Recreation	1,474.8
	Other	1,623.5
	Total	7,872.6
	Total to Date	$32,285.0

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Chart: **Sullivan Signatory Contribution Summary**

1984:	Average $'s Per Employee	
	Education and Training	$176*
	Health and Welfare	122
	Black Entrepreneurship	53
	Total	351
1984:	Average $'s Per Reporting Signatory	
	Education and Training	$116,266*
	Health and Welfare	80,333
	Black Entrepreneurship	35,034
	Total	231,633*
1984:	Total $'s (000's)	
	Education and Training	11,394*
	Health and Welfare	7,873
	Black Entrepreneurship	3,433
	Total	22,700*
TOTAL $'s to DATE (000's)		
	Education and Training	55,825
	Health and Welfare	32,394
	Black Entrepreneurship	13,021

* Because of differing interpretations of "direct expenditures" in reporting Rand spent on training programs, a large sum of money was not recorded quantitatively by A. D. Little. Therefore, the total for Education and Training programs for black employees does not accurately reflect the effort of the Signatories.

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Chart: **Sullivan Signatory Contributions Outside the Business in Support of Black Entrepreneurship (in 000's Dollars)**

1984:	Support of Small Business Develop. Corp.	$ 513.6
	Consultancy and Assistance	2,919.7
	Total	3,433.3

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The **Chairman**. Thank you very much, Mr. Murphy.

Mr. Holmes, let me indicate at the outset the appreciation of the committee and the chairman especially for your coming today. I have great admiration for your firm. I think that those attending the hearing ought to know that the firm, as Mr. Holmes has mentioned, entered the South African scene largely from the idealism of its chairman in conducting a business that today may or may not be profitable.

It may be marginally so. But because of the idealism of seeing how it would work, you are there, and I appreciate that. You ought to make no apology for coming from a small town in Wisconsin.

I would say the committee staff invited well over a dozen very large American firms to testify this morning, and for various reasons they did not wish to do so. You did, and I appreciate that.

Mr. **Holmes**. Thank you.

The Chairman. Let me say, Mr. Samuels and Mr. Murphy, perhaps you can help me a bit. I am disturbed because I am the author of a bill that has some support that calls for mandatory application of the Sullivan principles.

In truth, I did not start out with that point, feeling that we were doing something that was extraordinarily coercive or literally off the wall, as I keep hearing it reiterated as to how damaging this situation is.

I wonder, on the whole spectrum of suggestions being made, sort of where we come out, what specifically is the problem. American firms are adhering to the Sullivan principles. Aside from what Mr. Murphy said, we would have to codify things, perhaps, so that people are not in doubt as to their rights and privileges and so forth.

It would appear to me at minimum American firms would want to adhere to those principles.

Mr. **Samuels**. Mr. Chairman, I would love to see all American companies doing business in South Africa be signatories to the Sullivan agreement, but I do not believe that it is an appropriate step for the Congress to take to ask, to require by law, U.S. companies to follow specific behavior patterns abroad.

It is an excellent example of the kind of extraterritoriality that has our country behind the competitive eight ball in a number of parts of the world, and regardless of the South African issues themselves, that is a much bigger matter.

From our perspective, we would love to see them be signatories, but we do not want to see them required by law to be signatories.

Mr. **Murphy**. Mr. Chairman, we should focus also on what we are trying to achieve here. As I stated in my remarks, the beauty or the virtue of the Sullivan exercise has been its voluntary nature, and it is questionable whether it would have been as creative and as successful as it has been were this to be done under a federally mandated program.

I think we have to recognize that the people out there are a little bit cautious in approaching their job. Essentially what we are talking about is lobbying a foreign government. And that is a very tricky situation. If we create a Federal bureaucracy to oversee the Sullivan effort, it is doubtful in my mind that that would enhance the work being done by the companies there.

The CHAIRMAN. You may be correct. I am really sort of working along with you conversationally, because I would have thought that American business at least would embrace the principles of our bill enthusiastically.

My guess is, there may very well be a sentiment in the Congress to stop doing business in South Africa altogether, to discourage it very substantially. I think we are coming along that trail pretty fast, as a matter of fact.

I would have thought that persons who wanted to encourage our relationships in black South Africa, who wanted to do a good number of creative things that you have suggested, would have been very creative in their own suggestions beyond what I think is the bland assumption that multilateral diplomacy might be given more of a chance or, as you say, active support of business and labor in South Africa.

Goodness knows, a good number of us are trying awfully hard to figure out how that is to be done in a situation that, to say the least, has been becoming extremely grim. I must say I have a certain amount of frustration simply reaching out to people that I think ought to be interested in this general proposition.

Mr. SAMUELS. Mr. Chairman, if I may say, many of us who are watching this appreciate your struggle with this issue and attempt to be constructive in the process, and give you great credit for all the efforts that you are involving yourself in.

Let me comment, if I may, in the context of my personally being a historian, having been trained as an historian. I have written aspects of African history. I think what we are seeing is a significant historical evolution within South African society itself.

I think we have seen, not an insignificant, as the previous witness, Mr. Robinson, claimed, but a significant movement within South Africa itself.

Last week I was in Lisbon, Portugal, attending a conference with representatives from a number of the countries whose official language is Portuguese, including some specific neighbor countries of South Africa, and they, too, are aware of the significant changes that have taken place and are taking place internally in South Africa itself.

This is a slow, not a fast process historically, Mr. Chairman. The frustration that comes from trying to make a change within a given Congress is something with which I empathize. But I do believe that we should encourage that internal process that unfortunately brings with it deaths, brings with it tremendous disruption internally, but it is bringing about change. It is that process that I think hopefully will lead to the kind of society evolving in South Africa that we would find acceptable.

The CHAIRMAN. I would be prepared to say that I think there have been significant changes. I do not share the feeling that every policy we have tried has been abysmal, or everything we have done has been without some results. But I think I also share some of the feelings of witnesses we have had across the political spectrum that the situation is extremely grim.

South Africa is in a substantial economic recession. It is apparent from eyewitness accounts of Members of Congress who have been in South Africa as well as from press accounts there are legions of young blacks in the townships in very great despair.

Many simply wonder how there can be reconciliation where there has been so little movement by the South African Government toward power sharing, toward the identification of black leadership, toward even the liberation of persons who have been locked up, charged with treason, and various other situations.

That is not a promising picture for business, for labor, or for anybody for this country to be engaged in. Maybe the incremental changes that are being made or that might occur through the suggestions of some that you are making might make a little bit of difference, but I think in the midst of the historical watershed period, I sort of have a feeling that we are goimg to be overwhelmed.

A much broader sweep of policy is required if we are to be an important actor in this.

Do you have any response to that?

Mr. MURPHY. Senator, I would say that the companies do have a role to play in this. We have to nurture that role as best we can. I recognize the frustration of the committee and Congress in general in coming to grips with this situation. You are trying to influence the policy of a foreign government.

It is never an easy task. But when we look at the role of the companies in this sweep that you have referred to, I think we would want to focus on what will encourage the companies to do more of what they are actually doing now, and so we certainly don't want to discourage them in a way that would cause them to retrench precisely at a moment that is so critical.

The CHAIRMAN. Let me ask specifically on sanctions that have been proposed, what is wrong with stopping the sale of Krugerrands in this country? Why should anybody on the committee oppose that?

Mr. MURPHY. The National Foreign Trade Council is generally opposed to unilateral economic sanctions taken for foreign policy reasons. I understand there is a bill in Congress which we have not taken a position on which would create a new U.S. gold coin to compete directly with the Krugerrand. It seems to me just on a personal basis that would minimize some of the problems we have referred to.

The CHAIRMAN. Why should the U. S. Government continue to make loans to the South African Government? Does anyone have a feeling as to why we ought to continue that?

Mr. MURPHY. Excuse me, Senator. Is the U. S. Government making loans to the South African Government?

The CHAIRMAN. Either the U. S. Government or private businesses, private banks.

Mr. MURPHY. Most banks, in my understanding, most banks have already ceased to make loans to the South African Government.

The CHAIRMAN. True, but I would gather one of the sanctions being suggested is that by law they simply could not, and that would be terminated as a possibility.

Mr. SAMUELS. It is not up to us really to say what the legislative branch and the executive branch should decide to do on the subject of U.S. Government loans to South Africa, and I would not propose to make a recommendation one way or the other on that.

But again, in the context of the extraterritorial argument that I have made previously, I would urge you not to restrict private sector loans to the South African Government, and I think that most of the private sector companies are unilaterally coming to the same conclusion themselves.

The CHAIRMAN. Thank you very much.

Senator Sarbanes?

Senator SARBANES. Thank you, Mr. Chairman.

Mr. Holmes, I would like to hear just a bit from you on the process that led your company to go into South Africa.

Mr. HOLMES. The process?

Senator SARBANES. Yes; you say that your primary objective is to train the population, and I wondered how that came about.

Mr. HOLMES. Purely—as I indicated to the chairman, from strong beliefs on our part that if we feel strongly about something, we do not just complain about it or sit back and try to get someone else to do something about it. We decided to do something about it ourselves, and our decision was made purely on that basis, that although we knew we could not immediately be a large force or a large factor in changing conditions in South Africa, we were determined to take at least a constructive positive first step.

And we went there purely with the agreement from day one that the company would eventually be owned by the employees or the African Federated Chamber of Commerce through earnings they would accrue through profit-sharing.

Senator SARBANES. In other words, your top management people had a moral concern about the situation in South Africa and decided then to move in there and try to do something about it; is that correct?

Mr. HOLMES. Absolutely.

Senator SARBANES. And you have made profitability a secondary consideration?

Mr. HOLMES. Yes.

Senator SARBANES. How do you justify that to your stockholders?

Mr. HOLMES. I can tell you, it was not an easy matter to sell it to our own board of directors. However, we are a mutual company There is no stock owned by anyone. The mutual company is owned by the policyholders. There are certain activities that we believe the policyholders would feel we should be interested in, and in addition we are representing, I think, a large segment of the population that feels likewise.

Our investment at this point is probably $4 or $5 million, but over time we think that is a small investment to make in attacking this problem.

Senator SARBANES. Do you think U.S. companies should go into South Africa, absent the motivation that guided your company into South Africa?

Mr. HOLMES. I am sure there are other companies that do not have motives that would be classed as pure as we believe ours are. I think if they go in with American methods of merchandising and American methods of training and education, that that is a good purpose.

I would not suggest that every company enter South Africa with the commitment to turn over the ownership of the company to the employees or the black Africans. But short of that, I think that the training and education mechanism that is present in American business is one of the finest tools that we have, and in the long run we can best influence change by creating an economic base and an educational base for the people there in which they, the people bring about changes in the customs, rather than the company itself forcing change.

Senator SARBANES. Do you think the companies that go into South Africa should observe the Sullivan principles?

Mr. HOLMES. Yes; I do. We have some reservations, as have been indicated here earlier. We wonder about the seeming transformation from voluntary participation into the binding law. And one that has not been mentioned here is our concern about the procedures, the practices of processing, not the commitment to the principles, but the auditing and the reporting process.

Senator SARBANES. I understand that. Let me pursue that for a minute now.

What do you think should be done about companies that will not pursue the Sullivan principles?

Mr. HOLMES. By the U.S. Government?

Senator SARBANES. By anyone.

Mr. HOLMES. I certainly think that if they do not subscribe to the principles, that is a matter for the company to decide itself. But whether I personally would support a company like that, I would say no.

Senator SARBANES. That is all fine and dandy. But what it amounts to is that you set forth a standard and then, when people fail to adhere to it, you say, well, that is just too bad. Is that not essentially what your position amounts to?

Mr. HOLMES. At the moment, possibly. But on the other hand, a good deal of progress has been done since the Sullivan principles were started on a voluntary basis.

Senator SARBANES. I would like to ask Mr. Samuels whether, if in fact, American policy is perceived as indulging the apartheid regime of South Africa, you would regard that perception as being significantly harmful to American interests?

Mr. SAMUELS. Absolutely, Mr. Chairman, if it were perceived as that and if indeed such perception were accurate.

Senator SARBANES. Do you think it is being so perceived? Take all the different constituencies—blacks in South Africa, blacks elsewhere in Africa, people elsewhere in the world, a large part of our own population in this country.

Mr. SAMUELS. I believe that it is perceived as that by some, but I think there are many who do not perceive it that way at all, and that includes a number of African leaders, who privately are very supportive of the kind of backstage activities that are being done by the United States and are particularly encouraging of implications that this Government and, beyond the Government, the private sector broadly speaking—that includes not only just business, but a whole series of private organizations of a private voluntary nature—are involved now much more so than they were even 3 or four years ago in trying to work with the black community to raise the level of consciousness and capability of that community to be a greater force for the kind of internal change that I am talking about.

I think that as that has changed in U.S. behavior, broadly speaking, a growing appreciation of that has begun, I believe that, if it were to continue and expand, an increased appreciation of all that in those constituencies that you mentioned would be very important, both for the perception of the U. S. position and for the realities of change in South Africa.

Senator SARBANES. You do not think it is necessary for us to do anything to send a sharper and clearer signal that we disapprove the apartheid regime, and are pressing hard for significant changes in it?

Mr. SAMUELS. No; I think that my statement indicated that I think there are several things that you could do that would represent an indication that the United States wants to be on the side of that change, that we want to speed it up, that we want to support the people who will be part of that change and be part of the new power structure that emerges, and that we could significantly send a message of where our future is and where the future of South Africa is.

Senator SARBANES. I take it that it is your position that the economic relationship with South Africa ought not to be shaped by the law, is that correct?

Mr. SAMUELS. That is correct. I think it minimally should be shaped by the law.

Senator SARBANES. You therefore feel that it should be left to be determined by private decisionmakers by private action?

Mr. SAMUELS. Yes, Senator. But also——

Senator SARBANES. In other words, it is your view that there ought in effect to be a demonstration to pressure bank A or bank B to stop its lending practices, and that the law should not try to shape the direction in which that is going to go?

Mr. SAMUELS. I do not want—by saying yes to that, I would be saying yes to encouraging demonstrations at banks. I do not want you to put those words in my mouth, Senator.

I would encourage the full force of American opinion to play its will out as it sees fit. That is the greatness of our society.

Senator SARBANES. In response to the chairman on the banks, I think it was Mr. Murphy—perhaps he would like to move into this discussion at this point—who indicated, that the question of banks making loans was really moot because most of them had stopped making loans, is that correct?

Mr. MURPHY. That is what I said, Senator.

Senator SARBANES. Do you think most of them should have stopped making loans?

Mr. MURPHY. I think that is a decision for the banks to make. I do not pass judgment on that matter.

Senator SARBANES. Do you think Americans that believe the banks should not make loans should be pressing the banks not to do so through the whole series of private action measures available to them?

Mr. MURPHY. That is their right.

Senator SARBANES. Do you think that is the way this issue should be dealt with, and not effectively shaped by the law?

Mr. MURPHY. Essentially, yes, Senator. I think we have a fundamental problem when we try to impose our political beliefs, filtering it through our economic policy toward foreign countries. If we set up some kind of standard——

Senator SARBANES. Do you hold that out as an absolute principle?

Mr. MURPHY. Not as an absolute principle——

Senator SARBANES. If there is an apartheid regime and its values becomes so abhorrent to you that you would not support this principle——

Mr. SAMUELS. Absolutely, Senator. Also——

Senator SARBANES. What does this do? What do we do at that point, to reach that point?

Mr. MURPHY. At that point the companies would decide themselves. If we reach that point that there was no longer any chance for peaceful reform in South Africa, the companies would have reached their own decisions and would have disinvested on their own.

Senator SARBANES. I am not talking about violence within South Africa. I am talking about the values that the regime is implementing and your participation in that system through your economic involvement. At some point, are those values so abhorrent to you that you would say we should not be participating in that system?

Mr. MURPHY. Senator, I would say that the values that are officially promulgated and unofficially promulgated by the Soviet Union are abhorrent to me, but I do not favor cutting off trade and investment with the Soviets.

Senator SARBANES. I understand that. I am trying to find out whether there is any set of values so abhorrent to you that you would say we ought not to participate in that system through our economic involvement.

Mr. SAMUELS. Senator, I think that——

Senator SARBANES. No, let me let Mr. Murphy respond here.

Mr. MURPHY. Well, certainly there are patterns of behavior that are abhorrent to people in such a way that they would not participate. The difference here, Senator, is that we have——

Senator SARBANES. You do not think South Africa has reached that point, is that right?

Mr. MURPHY. I think we still have a chance through our participation to make a positive contribution to South Africa. We are doing it now, and we can do more.

Senator SARBANES. Let me ask you, with respect to your suggestions on page 2, whether you believe that current U.S. policy is conducting a forceful bilateral, multilateral diplomatic effort against apartheid?

Mr. MURPHY. I hope so, Senator.

Senator SARBANES. So in other words, you think current policy is doing that?

Mr. MURPHY. It is the nature of diplomacy that we do not always know what is being said.

Senator SARBANES. You think the current U.S. policy is encouraging the elimination of apartheid through peaceful change in South Africa with moral support and tangible resources?

Mr. MURPHY. There are programs under way, and programs that would be enhanced by legislation before the committee, that would do exactly that.

Senator SARBANES. Do you think current policy is doing that?

Mr. MURPHY. To the extent that these programs are working; yes.

Senator SARBANES. Do you think current policy is deficient in any way?

Mr. MURPHY. Senator, I am looking at the policy, at the programs of the companies operating in South Africa. the National Foreign Trade Council does not take an overall position on U.S. foreign policy.

Senator SARBANES. We are trying to pursue here what the Government's policy ought to be. You think the Government's policy as it now is is satisfactory and ought not to be changed?

Mr. MURPHY. Senator, the companies can play a role in whatever foreign policy the U.S. Government decides to apply to South Africa. They are playing that role and they are playing it usefully and in a positive fashion. I think that to the degree that the two go together and U.S. foreign policy does not conflict with and indeed enhances the ability of companies to play the role that they are playing, that that is a good and useful development and we should encourage it.

There are programs, as I said, that are included in provisions in the bills before the committee which would enhance such developments.

Senator SARBANES. I listened very carefully to your answer, Mr. Murphy. I do not think it was responsive to the question. Do you think that current U.S. policy, Government policy, needs to be changed?

Mr. MURPHY. The National Foreign Trade Council does not take a position on that issue.

Senator SARBANES. Well, that is the critical issue before the committee.

Mr. MURPHY. Senator, I was asked to testify before the committee to give you an appreciation of how the companies operate in South Africa and how that might affect our relations with South Africa.

The CHAIRMAN. Would the Senator withhold for just a moment? I will recognize the Senator again.

Senator Kassebaum.

Senator KASSEBAUM. Thank you, Mr. Chairman.

I would appreciate an answer from any one of you. How would you answer Mr. Robinson's belief that the American companies doing business there, that have been trying to implement and have been very successful on occasion in some fine programs, only reach very few black South Africans, and that we need to be more actively engaged in something that will reach more people?

Mr. MURPHY. I could try to answer that, Senator. I think that although indeed it is a small percentage of the total work force that is covered by the affiliates of U.S. companies operating in South Africa, the impact has reached far beyond that.

I would cite the effects on the South African employer groups, for example, and other third country affiliates in South Africa that have essentially adopted, like the Australians have adopted, the same idea as the Sullivan principles. The European Community has done the same thing.

If you take the total employment of the six major South African employer groups that presented that manifesto opposing apartheid and you include the American Chamber of Commerce in South Africa, that represents over 80 percent of the work force.

Senator KASSEBAUM. What response has there been from the South African Government concerning that manifesto?

Mr. MURPHY. I do not know that, Senator.

Mr. SAMUELS. I do not know that either, Senator.

Senator KASSEBAUM. You have not received any response, or have you made any inquiry?

Mr. SAMUELS. The statement by the American Chamber of Commerce, which is the one that I inserted in the record, has been received by the Government. They know that the American Chamber will be pursuing it, and the statement includes a whole series of actions that cannot be measured in the weeks that have been transpired since the statement was issued and today, Senator, I think that is a question we ought to answer in a year or two, to see what the progress has been.

But clearly, for the first time the American Chamber of Commerce is on record in a number of extremely specific recommendations to the South African Government related to the internal behavior of that country. That is a very unusual thing, for either a private company or for a group of private companies to do anything like this in any foreign country. As such, it is a very significant measuring stick to look at after it has been on record for a while.

Senator KASSEBAUM. I think it was a very important step.

Have you given any thought to perhaps forming a liaison group of all the representative companies, perhaps not only of the U.S. companies, but other nations doing business there with the South African Government, as an ongoing follow through, so that there can continually be a focus on those concerns emphasized by the Chamber?

Mr. MURPHY. It is my understanding, Senator, that there is such a liaison group formed between the Sullivan group companies and other groups.

Mr. SAMUELS. There is a lot of ferment, Senator, among the various companies and associations of companies on the South African scene today that did not exist a year ago.

Senator KASSEBAUM. I think that is true.

I would like to ask, I think, Mr. Samuels. You are the one who touched on, but the other two as well, about the inadvisability of unilateral sanctions. How would you feel if it were a coordinated effort? Do you think this is something that would have any merit at that point?

Mr. SAMUELS. I would have two comments on that. First of all, I think it is extremely unlikely that you would get into a coordinated effort.

But second, I am not so sure that these sanctions, regardless of being unilateral or not, will lead to the kind of results that we ought all to hope to see in South Africa, because I believe that the constant push under the leadership of a number of companies, fortunately U.S. investors being in the primary seat among them, but others, some being of other nationalities, has done an incredible lot to make changes over the last 5 or 10 years.

And to create these sanctions might stop the progress or slow up the progress internally that is so necessary to bring about the kinds of changes that South Africa needs.

Senator **Kassebaum**. Do you feel if S. 635 were adopted that American businesses now engaged in South Africa would tend to feel that those particular pressures were causing enough discomfort that they would tend to wonder if they should continue doing business there?

Mr. **Samuels**. Each company will individually come to that conclusion, but I would think that some would come to that conclusion, Senator.

Mr. **Holmes**. I think so too, Senator. There is a point where picketing and criticism, that sort of thing begins to wear on a company, and there could be that temptation to wonder if it is really worth it.

But to go back to your question on the boycotts and sanctions, I feel and we feel that there has been throughout history an unjustified confidence in the effect of boycotts and sanctions. It is certainly basically a negative approach.

And if we look at it the other way—in your first question, I believe you asked to what degree should we be taking more of an activist role. I think the American business scene has such a built-in base of training and education already there, a business peace corps, if you will, the facilities to train and educate people, and if we continue on that basis to build education and training and give people experience in management, they then become qualified to bring the clout and the force and the pressure in changing the government, rather than the companies themselves making these confrontations.

For instance, for a simple example on the cost of training, at the present time we must unfortunately, because of that cost of training, require that people starting in a threshold position be able to read and write. Now, we would love to even start at a lower level than that and to teach reading and writing, but you cannot build that much of a training cost into the price of a product and still market it.

But if there were, from the government's standpoint, types of aid and subsidies and encouragements, that would help companies do that in a joint venture with the government, if you will, in getting and reaching more people through basic training to start at even the reading and writing level.

Senator **Kassebaum**. I would just like to make a comment, Mr. Samuels, because I have visited PACE School. I think it is a good example of what can be done. Have you given any thought to businesses coordinating an effort in the legal area, raising funds, for instance, that could be used to assist with an investigation of the two recent deaths of the black activists who were believed to have been beaten?

Is this something that American businesses there could undertake?

Mr. SAMUELS. It is something they could undertake, yes, Senator.

Senator KASSEBAUM. Has any thought been given to it?

Mr. SAMUELS. I have not and we in Washington have not. But whether those in Johannesberg have, I cannot speak for them.

Senator KASSEBAUM. Because there are private funds there that have worked very effectively for legal assistance in helping blacks.

Mr. SAMUELS. I will be happy to pass that on and see what might be encouraged, Senator.

Senator KASSEBAUM. Thank you, Mr. Chairman.

The Chairman. Thank you very much, Senator Kassebaum.

Senator Sarbanes, do you have additional questions of the witnesses?

Senator SARBANES. Mr. Holmes, I was looking at the Investor Responsibility Research Center ratings according to the adherence to the Sullivan principles. Are you familiar with those?

Mr. HOLMES. Yes.

Senator SARBANES. I take it they have found your company deficient in meeting some important principles of Sullivan, is that correct?

Mr. HOLMES. Yes. The grading system is something that I think is one of the problems in the administration of the Sullivan principles. In our minds we have complied. We have no objection to any of the principles. We are doing everything that we think we can do in compliance.

But frankly, the administration process leads to a lot of problems in interpreting the audit and the feedback. We take those criticisms very seriously and we know in our own intent that we fully endorse all of the principles and we are doing our best to comply in every respect. But we do question the administration.

Senator SARBANES. I am not clear why, if your purpose for going into South Africa was in effect to carry out the Sullivan principles, which was your primary purpose as I understood your testimony. According to your testimony you do not have the tension within your company between carrying out those principles and the economics of your participation, because in your instance the economics is secondary to the purpose.

And the purpose, as I understood your statement, was really to carry out the full range of the Sullivan principles when you look at the substance.

Mr. HOLMES. That is correct.

Senator SARBANES. Why do you feel you are falling short, if that is the case?

Mr. HOLMES. I would say in every case those are technical inadequacies that we say certainly do not reflect our intent and what we are trying to do. I think you will find, if you look at all the measurements, of all the U.S. companies—the audits raise a lot of questions. They are very tight and very technical, and it is quite difficult to comply in every respect, regardless of how good your intent is.

But we have no reservations about any of them. We are doing our best to improve the audits to 100 percent, if that will ever be possible. I am not sure that it is possible.

Senator SARBANES. Let me just ask you about one of the principles, that the firm should undertake the responsibility of improving the quality of employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation, and health facilities.

Do you think the firm's responsibility should extend beyond the workplace?

Mr. HOLMES. Yes, we do. We have had a manager whose wife has been so active in that area that she has just received any number of awards. We have given her an achievement award within our own company for the work she has been doing in improving housing and for education work and so on outside the company.

But we do believe that.

Senator SARBANES. If S. 635 were to be passed, how would it affect the operations of your company? I am not clear that it would have any impact on it.

Mr. HOLMES. I do not think it would impact either.

Senator SARBANES. So S. 635 would not impede your operations in any way?

Mr. HOLMES. No.

Senator SARBANES. Mr. Chairman, I would like to pursue just a little bit with Mr. Samuels and Mr. Murphy their notion that we ought not to try to shape this area by the law, but leave it to be fought out in the private arena at the grassroots, I take that to be your position. Is that correct?

Mr. SAMUELS. Yes.

Senator SARBANES. The implications of that are pretty far-reaching, are they not, in terms of the arena into which you wish to place the struggle?

Mr. SAMUELS. Senator, there are appropriate places in the eyes of each of us for action by the U.S. Government and there are other places that are less appropriate or not appropriate at all.

The gist of the negative comments that you are referring to in my testimony was related to legislative action to mandate behavior by American companies. You will note that there are a number of other positive actions that we believe can be taken by the U.S. Government speaking jointly between its legislative branch and its executive branch, and we do believe that those are appropriate steps and they are appropriate positive statements that you in the legislative branch can make that will bring about some changes in South Africa and will be well appreciated by all those who want to see those changes come about.

Senator SARBANES. Do you think the free South Africa movement is going to run out of steam and go away, or do you think it is going to gain in strength and credibility in this country?

Mr. SAMUELS. I have no feelings on that one way or the other, Senator. I just do not know.

Senator SARBANES. What do you think, Mr. Murphy?

Mr. MURPHY. I do not know either, Senator.

Senator SARBANES. Do you think that is a relevant concern in thinking about this problem?

Mr. MURPHY. It is certainly a part of American public opinion.

Senator SARBANES. If you were in an arena to be resolved by contending forces and one of those forces were perceived as gaining strength and credibility over time, then what kind of situation would your companies be addressing?

Mr. SAMUELS. Senator, the private sector we are talking about where this is going to be fought out is the private sector within South Africa, not the private sector within the United States. The changes that are going to come about will come about because of the vast interactions among the contending forces, groups and individuals within South Africa itself.

We have already seen significant, not insignificant, movement in that direction over the last few years. I am inclined to think that there exists within that stew of society which is South Africa sufficient pressures to continue to lead to changes, and it is for that reason that I would urge us to try to add little pieces to that internal stew.

Senator SARBANES. That perception may be what is contributing to the confusion that the chairman expressed a few minutes ago. I think the struggle is being waged in this country as well among competing forces who take a very different perception of the situation in South Africa.

Now, Mr. Murphy does not see that regime, as I understand his testimony, as at least sufficiently abhorrent in its values that public policy measures of the sort that are pending in the legislation should be taken. Many Americans do see it as so abhorrent that they do think public policy measures should be taken.

Mr. MURPHY. I do not think Mr. Samuels or myself would make any apology for apartheid——

Senator SARBANES. Well, when does that reach beyond a statement of words to some concrete action?

Mr. MURPHY. Senator, we are looking at what can be done to help the situation, and it was alleged by the previous witness, Mr. Robinson, that we have never tried the sanctions approach. Well, I disagree with that. We have tried the sanctions approach.

We tried an arms embargo against South Africa, and what happened? They became the eighth leading exporter in the world? So I think our disagreement is really over tactics here, what is going to effectively move that country toward a more just, equitable society.

Senator SARBANES. Do you think that there should be any distance the U.S. relationship with South Africa, that we should adopt any measures to distance ourselves from the South African regime in order to express concretely our view of the nature of apartheid?

Mr. MURPHY. Senator, my brief is to talk about the role that the companies can play in fostering change in South Africa.

Senator SARBANES. I understand that. But what is the answer to my question?

Mr. MURPHY. I am saying that I do not have a brief to talk about U.S. foreign policy. I am trying to represent the views of certain multinational companies that operate in South Africa.

Senator SARBANES. But the companies are going to have to come to grips with that situation. The companies ought to express a view on it, or else the framework is going to be set for the companies without the benefit of their view; is it not?

Mr. MURPHY. That may be, Senator.

Senator SARBANES. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Sarbanes.

I thank the panel for coming this morning and for working with us on these difficult questions.

Mr. SAMUELS. Thank you, Mr. Chairman.

The CHAIRMAN. The Chair would like to call now a panel of: Hon. Andrew Young, mayor of the city of Atlanta, GA; and Mr. Thomas Donohue, the secretary-treasurer of the AFL–CIO in Washington, DC. Gentlemen, we thank you for your patience in waiting until this hour, but we have already had a good hearing this morning and we know that you will enhance our understanding further.

We appreciate, Ambassador Young, your returning to the witness table for a second appearance in the calendar year thus far, and we are always pleased to have you. I would ask you to testify first, then Mr. Donohue.

If you could, give abbreviated statements, but comfortable abbreviated so that your points can be made. Then we would like to engage in questioning.

STATEMENT OF HON. ANDREW YOUNG, MAYOR, CITY OF ATLANTA, GA

Ambassador YOUNG. Thank you very much, Mr. Chairman. I certainly appreciate being invited, but I appreciate even more the way you and Senator Kassebaum and Senator Sarbanes have stayed with this issue. I think it is extremely important.

I think what we have to do right now is to send a message from the U.S. Government. I think the American people have spoken. I think there are elements of the American business community that have expressed their own involvement.

But there is a perception, I think a wrong perception, that constructive engagement means that the South African Government has carte blanche to do anything it wants to do, and that it has the support of the American administration. I think that sanctions do work, and I would say that the sanctions against South Africa, specifically the arms embargo, brought a phenomenal change not only in the South African Government's behavior, but in total relationships in southern Africa. It was on the heels of the tragic death of Steve Biko that those sanctions and the arms embargo sent a message from the U.S. Government that the U.S. Government did not tolerate that kind of behavior.

It also opened up direct negotiations to begin to get the South African Government to engage in helping to end the civil war in Zimbabwe, and during the following year and a half both the United States and the British, with the support of the African front line states and Nigeria, brought that civil war to an end, with South African Government assistance, and made possible the beginning of negotiations which led to free and fair elections and an independent Zimbabwe.

I think you will also find that during the period from the time of that embargo to the beginning of the policy of constructive engagement there were almost no government killings of blacks, and that from the time of the imposition of so-called constructive engagement we have had an increasing number of government-sponsored killings, that has led to almost 300 in the past year.

There has also been a definite increase in the number of government imprisonments of people who are attempting to exercise rights that in other societies would be considered simply free speech and the freedom of assembly. These are people who are in no way engaged in violence or are advocating violence.

So I think the Government of South Africa needs a message from the U.S. Government that we do not condone their present drift. I think such a message would be in keeping with the South African business community in that respect because, ironically, the Afrikaaner Chamber of Commerce is ahead of the gentlemen who are up here today. They are calling for reforms in the South African Government. They are calling to an end of the system of apartheid.

There are also British or English-speaking South African interests that have also adopted a policy which challenges the Government's rigid system of apartheid. In fact, even within the context of South African white society there is some question about whether or not the majority, if given the freedom to choose, would now choose the system of apartheid that requires the rigid military backing of the Government in order to maintain its enforcement.

But that is a society that does not have the capacity to change in and of itself. It is a government which, as I have said, is an illegitimate government by any standards of freedom and decency. Fewer than 15 percent of the population controls all of the politics, all of the economic rights, and just everything.

But even within that 15 percent, there is an Afrikaaner minority that has developed a system, not unlike the old county unit system in Georgia, that gives the rural elements far greater political power than the urban elements. So even amongst the whites, there is a question of whether there is what we would consider representative democracy or full representation by all of the white citizens in South Africa.

And when you eliminate the colored, the Asians, and the blacks, you have a government that really is unlikely to be able to maintain itself very long.

When I was a Member of the Congress in 1974—and I think Senator Sarbanes was there and supported me on it—we introduced an amendment that urged President Nixon to begin negotiations with the Government of Portugal and cut off military supplies if they did not stop using American weaponry in Angola and in Mozambique.

I said, in trying to get that amendment through, that we had 2 to 5 years, at most, before change would come to Angola and Mozambique. It was not 6 months before the Portuguese colonial government collapsed.

The United States had no point of negotiation in Portugal or with any of the black groups. That led to a kind of chaotic situation in which Secretary Kissinger made the tragic blunder of getting South Africa involved. That brought the Cubans into Africa.

I think all of that was the result of the American Government not doing enough in time. I think even in the Carter administration, where we erred was in not doing enough on human rights. When we were aggressive on human rights—and we could not have really had a policy in Zimbabwe had the Senate not repealed the Byrd amendment—we were successful. It was important to get the Senate and the Congress of the United States and an official administration position on the record, to get America the kind of credibility that would enable us to negotiate a peaceful settlement in Zimbabwe.

But when we did things aggressively, there, in Panama, in the Middle East in the Camp David accords, American policy prevailed and has continued to prevail in spite of great difficulties.

Where we were too slow—in the Philippines, in Korea, in Iran—what we found was chaos, and we find American foreign policy still floundering, still unable to find handles to protect even the minimal amount of American interest. And I would say if we had said to the businesses in Iran 6 months to a year before the fall of the Shah that we would advise against any further investment, I think that would have been not only a wise political decision, it would have been a wise business decision.

I think it is important for the U.S. Government to be on record in sending the kind of signal that I think the Kennedy bill sends, that says essentially that the U.S. Government says that we are not going to support Krugerrands, that we are not going to allow further bank loans that we are not going to sell computer equipment to South Africa, and that there will be no further U.S. investment.

I think this is the kind of signal that whatever progressive elements within South Africa exist—and I think there are progressive elements within South Africa, both English-speaking and Afrikaaner—could use this as a means of doing things that they know they have to do.

In conclusion, let me just say that as a part of our efforts to change the South there were things that we needed to do, that nobody elected to office could do. They almost had to be forced to do it from the outside.

I have actually sat in meetings on school desegregation, even involving busing, where both sides agreed, but anybody that came out publicly and said they agreed would have been voted out of office. And so we would go quietly to the courts and we would say to the courts what we had agreed to, and the courts then would order us to do it and we would do it willingly.

In difficult matters of social change, some outside idealistic authority is needed. I think the U.S. Senate in this case becomes that kind of authority, in an absence of moral authority within the South African political structure, to say to the people of South Africa that they must change and they must change quickly in order to avoid chaos and bloodshed.

The CHAIRMAN. Thank you very much, Ambassador Young.

Mr. Donahue.

STATEMENT OF THOMAS R. DONAHUE, SECRETARY-TREASURER, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS, WASHINGTON, DC

Mr. DONAHUE. Senator, thank you. Thank you all.

I must say I am pleased and proud to be here on a panel with the distinguished Ambassador Young, an old friend and colleague.

Chairman Lugar, we are here to express our support for a form of economic sanctions, and we would express support for the strongest form of economic sanctions, to become effective on the soonest date that the Senate and House can agree.

We think that the AFL-CIO has long been involved in the efforts to assist our trade union brothers and sisters throughout Africa and in South Africa particularly. And we have witnessed the growing moral repugnance of the people of the United States to the conditions that exist there. We have listened to all of the rhetoric and if rhetoric would do it, we would have solved the problem a very long time ago. But the system remains essentially unchanged.

So the question is, How long do we go on with our rhetoric or at what point do we take action? It is for that reason we would support economic sanctions to be put in place at the soonest possible date.

The only thing that has changed in South Africa of great significance in the 25 or 30 years that we have been committed to programs of assistance there is the emergence of the black trade union movement, which I submit holds the greatest promise for the elimination of apartheid through peaceful means within South Africa.

We sponsored a conference here in January of this year, to which we brought 12 black trade union leaders, the principal officers of the Council of Unions of South Africa and the Federation of South African Trade Unions. There is appended to my testimony statements of the AFL-CIO Executive Council in February of this year and in May and a statement of the International Confederation of Free Trade Unions made at its meeting in this city in April of this year.

The International Confederation of Free Trade Unions the executive board of that organization representing 141 unions in 98 countries, speaking on behalf of 82 million workers throughout the world, adopted a very strong statement on apartheid, a very strong statement of support for the strongest possible economic sanctions to go into place as soon as possible, and that is appended to our testimony.

We would fully support a ban on new business, a ban on Krugerrand sales, on the sales of South African coal, limits on technology and military supplies, restrictions on IMF loans, and all manner and form of the remedies suggested in the various pieces of legislation pending, and particularly in S. 635.

We would note that S. 635 and all the legislation that is pending before you has very little to do with the preventive detention laws which are wreaking such havoc in the efforts of the black trade unions of South Africa to represent themselves and the interests of the people they represent. Preventive detention laws have been used continuously to harass and intimidate the black trade unionists.

The Embassy demonstrations here began some time in November and at that point there were 21 black South African trade union leaders in jail. Today, as we sit talking, there are somewhere near 21 black South African trade unionists in jail for doing their trade union work and assisting in the efforts of their unions to represent workers.

I think that the legislation that is proposed is insufficient in its address to those preventive detention laws. I think the closest it comes to it is the language of one which suggests that mere membership in a social group should not be enough as a basis for arrest; I would suggest that the black South African trade unions would resent being called social groups. So I think that some attention ought to be given to the abolition of the preventive detention laws.

As to S. 635, we think that the system of waiver of the sanctions is inappropriate and could well lead to four and a half or more years of maintenance in place of some of the most odious aspects of the apartheid system.

We support the sanctions which you will consider. For our part, the AFL-CIO and the ICFTU is supporting a campaign of direct action for targeted disinvestment of those companies which have not yet been, but will be, identified as significant violators of the human rights of South African workers. And there is a meeting scheduled in Geneva in early June of the South African leadership with the ICFTU leadership to begin to assemble a list of companies to be targeted for total disinvestment.

There is some confusion, Senator, or some confusion has been spread by what I understand is a recent letter of Ambassador Fourie to a number of Senators appending to it statements of a number of South African leaders arguing the case against disinvestment.

I would only note, while I think that the basic issue of disinvestment is not before you and I do not think it should be raised as the red herring that it often is, I have received a letter from Phiroshaw Camay, who is the general secretary of the Council of Unions of South Africa, dated May 6. I would just like to bring that to your attention. It says:

> DEAR TOM: Thank you for your assistance at the executive board meeting. I enclose a letter Ambassador Fourie wrote to various Senators, together with an account of the Council of Unions of South Africa resolution on disinvestment. Would you please ensure that this resolution is distributed as widely as possible to counter the letter sent by the Ambassador.
>
> Depending on how legislation progresses over the next few weeks, I would be happy to spend 10 or 15 days in Washington or other cities speaking on this issue if it would help.

And he goes on to thank me for something else.

> Yours eternally, Phiroshaw Camay.

Enclosed with that is the resolution on disinvestment of the Council of Unions of South Africa, which is appended to my testimony and that I would like to just read the resolved of that, Senator. It says:

> This national executive committee therefore concludes that any investment in South Africa is therefore investment in apartheid. There should be no new investment in South Africa while apartheid still exists.
>
> The sale of Krugerrands in other countries should be prevented by trade unions in those countries. There should be no defense, computer, or nuclear technology sold to the South African white government. There should be no investment in homeland areas which exploit the racial laws.

I think that is a particularly significant statement on behalf of the black trade unionists in South Africa for themselves on this subject; they are, it would seem to me, crying out, Senator, to the Senate and the House of Representatives to get on with the business of developing an action program to implement the things we keep saying about our defense of human rights and—as I believe

Ambassador Young says, to ensure that the credibility of the United States as a nation is somehow preserved in the world. And I think the time to do that is now.

Thank you very much.

[Mr. Donahue's prepared statement follows:]

STATEMENT OF THOMAS R. DONAHUE, SECRETARY-TREASURER, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE ON PENDING SOUTH AFRICAN LEGISLATION

MAY 22, 1985

Mr. Chairman, I welcome this opportunity to present the views of the AFL-CIO on the legislation that has been proposed to express the opposition of the American people to the odious system of apartheid in South Africa and to hasten its dismantlement.

The American labor movement has a long history of involvement in the struggle for freedom in Africa. Among the free trade union movements of the world, we took the lead in opposing colonialism and demanding independence for the African nations.

We cite this history not to toot our own horn but to establish the roots of our commitment to the struggle against racism and exploitation on the African continent. Our efforts against apartheid are but an extension of that historic commitment.

Those efforts have not been merely rhetorical. If rhetoric were sufficient to undermine apartheid, it would long ago have collapsed under the weight of denunciatory resolutions, statements, and speeches emanating from countless international forums. The AFL-CIO has undertaken active programs of assistance to those who seek trade union and human rights in South Africa and the abolition of the Apartheid system.

The moral isolation of Pretoria from the world community could hardly be more complete. Yet the system of apartheid has survived fundamentally unchanged.

What has changed in South Africa—and what we believe holds the greatest promise for the ultimate elimination of apartheid through peaceful means—is the emergence of the black trade union movement.

In South Africa, as elsewhere, the ability of people to organize and control their own institutions—that is, to effectively exercise freedom of association—is the best alternative to the bloody resolution of conflict, and if violent revolution comes to South Africa, there will be no winners, only unimaginable suffering.

It is for this reason that the AFL-CIO several years ago adopted a Program of Action in Support of Black Trade Unions in South Africa, aimed at providing direct assistance for trade union education, leadership training, and exchange programs. These programs are designed to meet the needs of black trade unions as they define those needs.

To better ascertain those needs, the AFL-CIO, last January, in conjunction with its African-American Labor Center and the A. Philip Randolph Education Fund, sponsored a conference that brought together black trade union leaders from South Africa and more than 300 American trade union leaders. At this conference, there was a wide-ranging discussion of the views of our South African brothers and sisters with regard to the current situation in their country and the efficacy of various proposals to bring about the end of apartheid.

This discussion laid the basis for the comprehensive statement issued by the AFL-CIO Executive Council at its February meeting. A copy of this statement is attached to this testimony. I would particularly draw your attention to the Council's conclusion that:

> "The Reagan Administration's policy of 'constructive engagement' has not produced significant results. Indeed, Pretoria apparently views its good relations with the Administration as a license to delay indefinitely the dismantling of the odious apartheid system."

To which I would add, Mr. Chairman, that Pretoria can only be encouraged in this view by the insensitive statements made by the President of the United States about the killing of innocent people in Uitenhage by the South African police. These statements were deplored by the Executive Board of the International Confederation of Free Trade Unions at its meeting in Washington last month, and we join the ICFTU in calling on the President to withdraw his harmful remarks.

The ICFTU represents 141 unions in 98 countries with a combined membership of more than 82 million workers. The AFL-CIO has worked closely with the ICFTU in its campaign against apartheid, recognizing that the black trade union movement of South Africa requires the coordinated support of all of the world's free trade unions.

We were pleased that the ICFTU set aside a special session at its Washington meeting for a discussion of the South African crisis. This session produced a statement which is appended to this testimony in the belief that the Congress would attach considerable importance to the views of this prestigious organization.

The statement, in which the AFL-CIO wholly concurred and which was approved by the leadership of South Africa's independent black trade union movement which was represented at the meeting, urges a tough sanctions policy toward South Africa. These proposed sanctions are detailed in very specific, concrete terms and in our view would, if implemented, bring substantial pressure to bear on the South African government to change its racist policies. Time does not permit me to list the measures called for by the ICFTU, but I hope that they will be studied by the Congress.

They are very much in keeping with the intent, the spirit and the actions spelled out in S635. In this connection, Mr. Chairman, I would like to bring to your attention, a resolution on disinvestment adopted by the Council of Unions of South Africa and conveyed to us on May 6 by the General Secretary of that organization, Mr. Phiroshaw Camay. The resolution, a copy of which is attached to my testimony, asserts that "any investment in South Africa is .... investment in apartheid"; that "there should be no new investment in South Africa"; and that "there should be no investment in homeland areas which exploit the racial laws."

Mr. Chairman, the AFL-CIO commends the authors and sponsors of this legislation and will support enactment of those proposals that are consonant with the statements of the AFL-CIO Executive Council and the ICFTU.

In this regard, I call to your attention the statement of the AFL-CIO Executive Council of May 7, 1985, a copy of which is attached to this testimony. The statement calls for our government and the other industrial democracies to take the following steps:

- ban new investment in South Africa;
- end all investment guarantees, export credits and trade promotion with South Africa;

- stop new IMF loans as well as other bank loans to the South African state and publicly-owned companies;
- halt the sales of Kruggerands and the purchase of South African coal;
- punish violators of the U.N. oil embargo against South Africa;
- embargo the sale of arms to South Africa, especially those used by its military, security and police forces;
- compel disinvestment by multinational companies in the energy and high-technology sectors;
- force disinvestment by all multinational companies that have been identified by the independent black trade union movement as being in violation of internationally accepted labor standards.

We are concerned about the failure of those bills which we have examined to address the urgency of pressing for the abolition of the so-called Preventive Detention laws that are used to harass, intimidate and imprison labor leaders and others without trial. These laws, as the AFL-CIO Executive Council has pointed out, "in effect, nullify much of whatever benefit accrued from previous legislation recognizing the trade union rights of black workers."

The most recent example of the use of the "law" by South African authorities is the death of black labor leader Andries Raditsela while in police custody. A copy of a telegram from AFL-CIO President Lane Kirkland to South African President P.W. Botha expressing the AFL-CIO Executive Council's outrage at this tragedy is attached to this testimony.

It is not enough to bring external pressure to bear on the South African government. Change must come from within. But such change will not come unless the democratic forces within South Africa—preeminently the black trade union movement— are able to organize and effectively represent the will of the majority.

It is therefore imperative that we do all that we can to remove the coercive impediments to their exercise of freedom of association. Measures by the Congress aimed at eliminating the Preventive Detention laws would be a powerful encouragement to those who are fighting on the front lines of freedom in South Africa, and we urge the Congress to include such measures in the anti-apartheid legislation pending before it.

There are currently 21 black trade unionists in jail who have been held under the Preventive Detention laws, without charges or trial, some for more than 6 months, and we are attaching a list of these trade union prisoners to this testimony with the request, Mr. Chairman, that at a minimum, this Committee urge the Administration to demand their release.

In a larger sense, we are troubled by the fact that the modest sanctions proposed in S635 could be avoided for several years while some of the most objectionable and inhumane features of the apartheid system are maintained in place.

The government of South Africa must not be led to believe that it can escape the full effect of sanctions by piecemeal measures that stretch out for years the complete elimination of the apartheid system.

Mr. Chairman, we urge the passage of legislation that includes the sanctions proposed by the AFL-CIO and their maintenance until the apartheid system is dismantled.

Mr. Chairman, on a related matter, the AFL-CIO has also proposed that the International Labor Organization consider establishing documentation and research machinery to monitor the conduct of all corporations operating in South Africa, with regard to their recognition of black trade union rights, the training and upgrading of black workers, and their observance of universal labor standards. Some indication or instruction from the Committee to the U.S. government representatives to the ILO to urge the ILO to use its machinery in the fight against apartheid would be a positive step.

Thank you.

Statement by the AFL-CIO Executive Council
on
South Africa

February 19, 1985
Bal Harbour, FL

Apartheid is a moral affront to civilized humanity. But despite the condemnations of an outraged world opinion, the South African government continues to resist the demands of its black citizens for an end to institutionalized racism and for full and equal participation in the political life of the nation.

The AFL-CIO is committed to cooperation with those forces in South Africa that seek an end to apartheid through peaceful, democratic means. The alternative is a violent revolutionary upheaval that would bring immeasurable suffering to all elements of South African society.

We appreciate the contributions of the many individuals who, because of their outspoken opposition to apartheid, have been driven into exile or prison. But it is to those inside South Africa, fighting on the front lines, that we look for leadership in the eradication of apartheid, which cannot be sustained if peace and stability are to be achieved in Southern Africa.

We have been especially encouraged by the emergence in recent years of the black trade union movement in South Africa. Freedom of association is the foundation of democratic institution-building and offers the most promising hope for peaceful social change.

The AFL-CIO will, therefore, continue to respond to requests for assistance through its Program of Action in Support of Black Trade Unions in South Africa and through the ongoing programs of the African-American Labor Center.

Our assistance will be guided by the same principle that has governed our aid to the workers of Poland, El Salvador and every other country where our help has been requested -- namely, that we will respond to the expressed needs and wishes of our brothers and sisters who are under the gun.

The AFL-CIO calls upon the other free labor movements of the world -- and especially those in the industrialized nations that trade with South Africa -- to urge their governments to press South Africa for an end to the Preventive Detention laws that are used to harass, intimidate and imprison labor leaders and others without trial. These laws, in effect, nullify much of whatever benefit accrued from previous legislation recognizing the trade union rights of black workers.

The AFL-CIO will continue to contribute to the multilateral program of assistance to black trade unions directed by the International Confederation of Free Trade Unions and to participate in the union-to-union programs of the International Trade Secretariats.

In addition, we call upon the International Labor Organization to investigate the appalling conditions of black labor in South Africa including the forced removal of black workers to Bantustans. Toward this end, the ILO should consider setting up a commission of inquiry comparable to the commissions it established in the cases of Poland, Chile and other countries.

The ILO should also consider creating documentation and research machinery to monitor the conduct of all corporations operating in South Africa, with regard to their recognition of black trade union rights, the training and upgrading of black workers, and their observance of universal labor standards.

Companies that fail in their social responsibilities should be targeted for disinvestment, boycotts, adverse publicity campaigns and other appropriate measures. In considering whether and when to apply such measures, the AFL-CIO will be guided by the wishes of the black trade union movement of South Africa.

The Reagan Administration's policy of "constructive engagement" has not produced significant results. Indeed, Pretoria apparently views its good relations with the Administration as a license to delay indefinitely the dismantling of the odious apartheid system. But apartheid cannot be maintained indefinitely. The real issue is whether it will be abolished peacefully or violently. The longer South Africa resists peaceful change, the more it invites the bloody alternative.

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS

EXECUTIVE BOARD

Washington, 11 - 13 April 1985

RESOLUTION

The ICFTU Executive Board at its 87th meeting, held in Washington on 11-12 April 1985:

CONDEMNS	all collaboration with the South African regime serving in any way to strengthen or maintain apartheid;
STRESSES	that all so-called constructive engagement policies and political exchanges, such as visits to Heads of Government by South Africa's President, constitute such collaboration providing considerable support to the regime;
DEPLORES	the insensitive statements by the President of the United States in regard to the killing of innocent people in Uitenhage by the South African police, and calls on the President to withdraw his remarks;
FURTHER CALLS	on the US Government and all other governments to embark on a vigorous policy of constructive disengagement, on the lines proposed by the statement adopted by the 87th meeting of the ICFTU Executive Board.

BEATING APARTHEID

(Statement adopted by the ICFTU Executive Board
at a Special Session held in Washington, D.C.,
11 April 1985)

Introduction

1. The situation in South Africa is at crisis point. The political and economic foundations of the apartheid regime are under attack as never before. Repression of black leaders is intensifying, the hated influx control measures are being tightened, and clashes between the black community and security forces occur daily. The regime is desperately trying to change the image, although not the reality, of apartheid both in South Africa and abroad. Business leaders in countries with extensive economic links to South Africa are beginning to reassess their ties with apartheid. This is due to the pressure of public opinion in their own countries, to growing doubts about the future return on their investments and increasingly effective opposition to apartheid in South Africa. Yet Conservative political leaders have yet to react to these realities. Now is the time to step up the international pressure against apartheid by governmental and further trade union action.

2. The ICFTU and its affiliates are proud to be in the forefront of the campaign against apartheid. We welcome the recent upsurge in international awareness of the evil nature of apartheid which is in part due to the campaigning work of the free trade unions over many years. In the fight against apartheid, the ICFTU's distinctive contribution is the emphasis on assisting the development of a strong independent black trade union movement in South Africa. The key importance of democratic trade union organizations in the freedom struggle is now apparent to all. As was stated in the recently updated ICFTU Programme of Action, the growth and strengthening of the independent black trade union movement, is the single most effective measure for the repressed majority in South Africa to gain freedom and justice and to abolish apartheid. This conviction will continue to be at the centre of the ICFTU campaign against apartheid. Apartheid is an entrenched system of racial discrimination and economic exploitation which is based on a number of key pieces of legislation, backed up by the administrative powers of the government. Ending apartheid means majority rule in an undivided society.

3. The existence of the South Africa regime depends on apartheid. It will not end it. Diplomacy has failed to get across the abhorrence felt by people all over the world against the repression of the black majority. The ICFTU is therefore convinced

that governments must firmly commit themselves to escalating political pressure on and applying sanctions against South Africa. As a matter of urgency all governments and especially those of the main trading and investment partners of South Africa should increase and implement the range of measures so long threatened by the United Nations.

Sanctions

4. Support for a tough sanctions policy is growing as public awareness of the continued repression and injustice suffered by the black majority in South Africa has increased. The threat of economic isolation is a major concern for the apartheid regime, but must be made more credible by specific commitments to effective action by the large industrialised countries.

5. The ICFTU proposes sanctions which should begin with the tightening of the UN arms embargo and proceed further. In cooperation with the UN, all governments should develop immediate effective machinery for the implementation and monitoring of an international sanctions policy.

6. Governments should by administrative and legislative action build up the following sanctions:

i. The extension of the arms embargo to include sales by South African subsidiaries of transnational corporations, a tightening of the definition of arms sales to include all types of equipment intended for use by South Africa's military, security and police services, sales of machinery to South African arms-producing companies, the purchase of South African produced arms and the strengthening of international monitoring to ensure compliance by all major industrial countries.

ii. The ending of investment guarantees, export credits and all trade promotion measures, and steps, product by product, to switch both import and export trade from South Africa.

iii. Prevention of new investment in South Africa by transnationals.

iv. The ending of all contracts for the expansion of the South African nuclear energy and oil from coal programmes.

v. The ending of all commercial operations by transnationals in the so-called "homelands" or "Bantustans"

vi. A stop on bank loans to the South African State and publicly-owned companies, and new IMF loans.

vii. Punitive action against the owners of any ships which carry oil to South Africa and against oil companies or oil traders which break or are party to the breaking of the UN oil embargo. This will entail intensified national and international monitoring by governments of shipping traffic to South Africa.

viii. A ban on sale of Kruger [illegible]

ix. A ban on purchases of South African coal.

x. A programme of compulsory disinvestment by transnationals operating especially in the armaments, energy, high-technology sectors in South Africa, and including all those companies which have been identified by the independent black trade union movement as being in violation of internationally accepted standards of labour practice.

7. These measures should culminate in the adoption of mandatory UN sanctions to enforce the economic isolation of South Africa.

Emigration and cultural contacts

8. Linked to sanctions on trade, investment and other commercial links, governments of the countries of origin of white emigrants to South Africa, should take immediate steps to warn their citizens of the reality of apartheid. Governments should also take steps to:

i. Close all official and unofficial South African recruitment offices and tourist promotion offices;

ii. Ensure that no public employment agencies handle job vacancies in South Africa; and

iii. Actively discourage the advertising of South African job vacancies;

iv. Vigorously discourage sports and cultural contacts with South Africa.

9. The ICFTU and its affiliates will also undertake a coordinated information campaign in support of measures to discourage white emigration through trade union action targeted on individual countries in turn (UK, USA, West Germany, the Netherlands, Portugal, Greece, Australia and Belgium) and at multinationals or South African companies which recruit white labour for South Africa.

Government collaboration with the South African regime

10. Special note should be taken of the collaboration between the South African government and other governments. The ICFTU believes that the present racist government of South Africa should be isolated and that visits by exponents of apartheid should never be entertained by any country.

Targeting transnational corporations

11. At the same time as working for governmental action against apartheid, the ICFTU, the ITS and their affiliates will also increase pressure on transnational corporations operating in South Africa and on South African multinationals with operations outside that country. Such transnationals are pivotal to economic relations with South Africa. They are directly affected by changes in South Africa and by efforts outside the country to increase pressure on the regime. Both individually and collectively transnational corporations have a major influence on the future of apartheid and their vulnerability to international trade union pressure should be exploited.

12. The ICFTU firmly believes that measures must be taken to reduce links with South Africa. The ICFTU calls on all TNCs operating in South Africa to co-operate fully with the international effort to step up economic pressure on the apartheid regime. In addition, and within the framework of the ICFTU's policy on sanctions and disinvestment, the ICFTU, the ITS and national affiliates will work in consultation with the independent black trade union movement to further their demands vis-a-vis particular companies. These campaigns will be targeted at individual companies, including South African TNCs with operations outside that country, and will involve, among others, the following activities:

i. Approaches to management by unions in a company's home country in support of demands for full collective bargaining rights by independent black trade unions in South African subsidiaries;

ii. Meetings between representatives from the South African union concerned and their counterparts from the parent company of the South African subsidiary involved in a dispute, in order to put direct pressure on management;

iii. Working contacts between union representatives in a parent company and in its various subsidiaries inside and outside South Africa in order to pave the way for effective collective bargaining by the independent black trade union movement in South Africa;

iv. In cases of continued obstruction by management, international campaigns on the TNCs concerned involving appropriate solidarity action. Such international campaigns will be initiated in response to the expressed needs of the independent black trade union movement, by the ICFTU, in cooperation with national centres and ITS;

v. Research into the activities and structure of target companies with a view to identifying the scale and nature of commercial links with South Africa;

vi. The development of information material on the situation of South African workers in the companies and their unions, with particular reference to their views on the fight against apartheid and the companies policies, for distribution to union members in the target companies;

vii. Suspension of contracts calls for bans on new investment and disinvestment where companies refuse to work with the independent black trade unions in South Africa.

Influx control and migrant workers

13. The ICFTU reiterates its abhorrence of the apartheid system and particularly singles out the pernicious influx control system which denies South African workers the right to seek work where they wish, to live with their families and to live normal family lives. The fight of the independent trade unions against this obnoxious system should be supported by the international trade union movement by providing assistance aimed at mitigating the immediate problems. Programmes of assistance to migrant workers such as those already operating in Botswana and Lesotho should be extended into South Africa in order to strengthen the trade union movement in the Southern African region as a whole.

Strengthening South Africa's neighbours

14. The ICFTU believes that apartheid is at the root of the hegemony pursued by South Africa in the region beginning with Namibia for which the ICFTU calls for compliance with Resolution 435 on Namibia which decided to ensure the early independence of Namibia through free and fair elections under the supervision and control of the UN. The ICFTU vigorously condemns the continued destabilisation of the region through political, military and economic interference. The ICFTU strongly believes that strenghening of the economic base of the frontline states would also contribute to the dismantling of apartheid. It therefore calls on all countries to support effectively measures proposed and being undertaken by the Southern Africa Development Cooperation Conference (SADCC) countries to reduce dependence on South Africa. In supporting the SADCC countries, trade unions in industrialised countries should also contribute to the strengthening of trade unions in those countries to enable them to play a major role in the SADCC process of development. The unfavourable conditions imposed by international agencies and banks in respect of aid, loans and investment funds negatively affect the economic growth of these countries. The ICFTU calls on the international community to change these policies in order to strengthen the economic position of the countries in the region.

Conclusion

15. The key to change in South Africa lies within the country and will be determined by the black majority. However, international resolutions translated into action can help accelerate progress towards democracy and justice. Escalating economic sanctions, discouraging white immigration, ending government collaboration with the South African regime and targeting campaign activities on specific transnationals offer four specific and practical ways of forcing the message home to the South African government that apartheid must end. These measures will be supported by a wide spectrum of opinion in all countries, including most importantly the independent black trade unions in South Africa. The international free trade union movement strongly urges all governments, and especially those of South Africa's main economic partners, to adopt these proposals and thus clearly inform the apartheid regime of the consequences of continuing its racist policies. The ICFTU reiterates its call for the immediate release of imprisoned black trade union and political leaders, the cessation of repressive measures against the black community, the unbanning of all political organisations and of political activity in order to develop a society based on universal suffrage, full respect for the Universal Declaration on Human Rights and an undivided South Africa.

Recommendations

16. The Executive Board is invited, subject to any amendments, to adopt the attached statement and to follow this up by instructing the General Secretary, in consultation with the South Africa Coordinating Committee, to:

i. Initiate campaigns on target companies in support of the independent black trade union movement;

ii. Undertake an information campaign, with the affiliates concerned, to discourage white emigration to South Africa;

iii. Work with affiliates, particularly in the main trading and investment partners of South Africa, to press for firm government commitments to an effective sanctions policy;

iv. Initiate a vigorous campaign on governments to end political collaboration with the South African government;

v. Continue the campaign for the immediate release of all detained trade unionists in South Africa (list attached);

vi. Utilize the ICFTU Coordinating Committee to exchange information, review, encourage and assist affiliated organisations and ITS action to implement the ICFTU's policies on South Africa.

Statement by the AFL-CIO Executive Council

on

South Africa

May 7, 1985
Washington, D.C.

Despite the outcry of world public opinion, the situation in South Africa continues to deteriorate as violence mounts and the regime intensifies its repression of black leaders. The Reagan Administration's policy of "constructive engagement" is failing. A new course is needed to force Pretoria to dismantle the system of apartheid.

The AFL-CIO endorses the statement by the Executive Board of the International Confederation of Free Trade Unions adopted in Washington on April 11, and approved by the leadership of the independent black trade union movement of South Africa, which was represented at the meeting. In keeping with that statement we call upon our government and the other industrial democracies to take the following steps:

- ban new investment in South Africa;
- end all investment guarantees, export credits and trade promotion with South Africa;
- stop new IMF loans as well as other bank loans to the South African state and publicly-owned companies;
- halt the sales of Kruggerand and the purchase of South African coal;
- punish violators of the U.N. oil embargo against South Africa;
- embargo the sale of arms to South Africa, especially those used by its military, security and police forces;
- compel disinvestment by multinational companies in the energy and high-technology sectors;
- force disinvestment by all multinational companies that have been identified by the independent black trade union movement as being in violation of internationally accepted labor standards.

As the AFL-CIO proposed last February, the International Labor Organization should consider establishing documentation and research machinery to monitor the conduct of all corporations operating in South Africa, with regard to their recognition of black trade union rights, the training and upgrading of black workers, and their observance of universal labor standards.

In consultation with the black South African trade union movement and the ICFTU, the AFL-CIO will continue to review additional measures which might be effective in bringing about democratic change in South Africa.

The AFL-CIO again calls upon the South African government to repeal the so-called Preventive Detention Laws that are used to harass, intimidate, and imprison black labor leaders. The growing black trade union movement of South Africa remains the best hope for democratic peaceful change in that tragic country, and it deserves the full support of free trade unions everywhere.

Meanwhile, not content to confine its repression within its own borders, Praetoria has announced its intention of establishing an international administration in Namibia, in contravention of U.N. Security Council Resolution 435. The AFL-CIO concurs with the ICFTU in condemning this action as a provocative move aimed at perpetuating South Africa's illegal control over Namibia.

THURSDAY, MAY 9, 1985

AFL-CIO President Lane Kirkland sent the following telegram to South African President W.P. Botha:

> The AFL-CIO Executive Council, meeting in Washington, has asked me to convey to you its outrage over the death of Andries Raditsela while in police custody.
>
> This tragedy fits a pattern that has become all too familiar -- the death, under mysterious circumstances, of black South African leaders held under your Preventive Detention laws.
>
> It was under the same detention laws that Neil Aggett, who received the George Meany Award for Human Rights in 1982, and other opponents of the apartheid system died while in police custody.
>
> In a statement issued yesterday, our Executive Council called upon your government to repeal these laws, which are used to intimidate, harass, and imprison black trade union leaders.
>
> South Africa stands accused of deliberate and consistent disregard of internationally accepted standards of conduct and of perpetually violating the human and trade union rights of black workers and others.
>
> The AFL-CIO is outraged at this needless loss of life and in conjunction with the ICFTU calls on the South African government to repeal the Preventive Detention laws forthwith and ensure that human and trade union rights are observed. Unless these basic freedoms are observed, all talk of reform is irrelevant.

-30-

(Contact: Rex Hardesty, AFL-CIO Department of Information, 202/637-5010)

	South African trade unionists known to be in detention		Date of detention
1	Bavumile Vilakazi	UTP Educator	12.12.84
2	Xolani Nduna	Chemical Workers Industrial Union	
3	Zanemvula Maphela	Paper, Wood and Allied Workers Union	
4	Ntsikeldo Qaku	African Food and Canning Workers Union	24.09.84
5	Boy Nkese	South African Allied Workers Union	
6	Andice Xintolo	South African Allied Workers Union	3.10.84
7	Jerry Kau	National Automobile and Allied Workers Union	3.10.84
8	Thema Mbandluna	Municipal and General Workers Union	
9	Zola Sekel	United Metal, Mining and Allied Workers Union	
10	Edward Manxiwa	United Metal, Mining and Allied workers Union	
11	Gilbert Binda	United Metal, Mining and Allied Workers Union	3.10.84
12	Isaac Lekoto	United Metal, Mining and Allied workers Union	3.10.84
13	Glen Moleso	United Metal, Mining and Allied Workers Union	3.10.84
14	J. Hlubi	Orange Vaal General Workers Union	30.10.84
15	E. Moeketsi	General and Allied Workers Union	27.11.84
16	M. Mdze	(from Ciskei, union unknown)	10.12.84
17	Sisa Njikelana	South African Allied Workers Union	18.02.85
18	Bonile Tuluma	South African Allied Workers Union	18.02.85
19	Sam Kikine	trade unionist	18.02.85
20	Isaac Ngcoba	trade unionist	18.02.85
21	Thozamile Gqweta	South African Allied Workers Union	20.02.85

20.3.1985

COUNCIL OF UNIONS OF SOUTH AFRICA
P.O. BOX 10928, JOHANNESBURG, SOUTH AFRICA, 2000 TEL: (011) 29-8031.

RESOLUTION ON DISINVESTMENT

Reaffirming the resolutions at the Joint Executive Council

Knowing that racial oppression through the apartheid system has been declared by the UN as a crime against humanity

Concluding that investment in South Africa therefore supports and perpetuates racial discrimination

This National Executive Committee therefore concludes that :

- Any investment in South Africa is therefore investment in apartheid
- there should be no new investment in South Africa whilst apartheid still exists
- the sale of Kruger rands in other countries should be prevented by trade unions in those countries
- there should be no defence, computer or nuclear technology sold to the S.A. White government
- there should be no investment in homeland areas which exploit the racial laws.

The CHAIRMAN. Thank you very much, Mr. Donahue.

Ambassador Young, putting on your hat as one who has been involved and still is in many ways in foreign policy, you said at the outset of your statement that our major objective ought to be to send a message, a strong moral message from the U.S. Government as a statement. And you went on to draw the analogy of the South and thought that sometimes a strong moral witness from outside can bring about progress even with parties who wish to progress.

In the case of the South African Government, it probably is not self-evident that that government, at least those who are in charge now, are prepared really to go into negotiations for power-sharing with black leaders. There may be some persons within the white community in South Africa who would want to do that, who feel that would be necessary.

Is it still your feeling that what we ought to be attempting to craft in this legislation is a statement? In other words, I find some problem as I think through each of the sanctions trying to trace the effects of these on various particular persons or groups, and yet I think that there is something to be said in a compelling way for how you bring about any kind of movement toward power-sharing or reconciliation, with the thought that if this does not occur American businesses, as well as other people's business for that matter, will have a very hard time of it making a go at all.

In other words, if one were looking at it just from the standpoint of the chairman of the board of a large American company down the road in South Africa, if I were in that role this morning it would be difficult to see how I could operate profitably or constructively or in a humanitarian way if in fact the society in which I was attempting to operate was chaotic or people were being killed and maimed and in great difficulty all the time.

So that maybe the best course of action is one which tries to assist people to do politically what needs to be done, so that there can be some stability or some continuity of society.

I am not trying to put words in your mouth, but if you follow my reasoning would you comment on that for a moment?

Ambassador YOUNG. I think a strong message to the South African Government by the Senate of the United States, which I think would come if there was a Senate resolution saying there would be no new investment, that is not taking money out. It is simply saying that we do not right now consider this a good investment.

The refusal to accept Kruggerands in this country and no further computer sales is a kind of signal that I think would be important, not only to the South African Government but to those blacks who are unrepresented in that government, and coloreds and Asians.

It would also be a very strong message to all the rest of Africa, that would improve the United States' position in relationship to that situation. Right now we are perceived, and I think wrongly, almost as a puppet of Pik Botha and the head of state Pieter Botha, and everything they want to do seems to have the approval of the U.S. Government.

I think that is a misinterpretation of constructive engagement, but I think that is the way they have interpreted it. I think the violence against their own citizens sort of says that they think they can get away with anything.

There needs to be a message from the U.S. Senate that says that we see the gravity of that situation and if there is not some effort to change—and that is all I think those bills do so far. I think your bill, Senator, sends a similar kind of message to the American business community. That is, it sends the message that they should be aggressively and actively involved in assisting blacks at the humanitarian level.

But I think even your bill does not go as far as the statements of the Afrikaaner Chamber of Commerce that call for an end to apartheid. So I think these are not radical approaches. They are not disinvestment. I do not even know that they are sanctions in any serious way.

They are strong messages that I think could lead to direct, and should lead to direct diplomatic negotiations by the administration and would strengthen the hand of the administration in any of those negotiations both in talking about changes toward power sharing within their society, but also about getting out of Namibia, negotiations which have sort of been stalemated for the last 4 years.

The CHAIRMAN. Let me say that in a way our hearings are coming after one significant action taken by the committee. During our foreign assistance markup, the committee received an amendment sponsored by Senator Cranston of California and Senator Mathias. It included the four steps, whether they were sanctions or whatever, that are also part of the Kennedy-Weicker legislation.

I am trying to give credit where it is due in terms of authorship. All of these people have been involved at one point or another.

The only difference I can see is one of timing between the two. The Cranston-Mathias approach that evening called for a 2-year hiatus between the passage of the legislation and the imposition. It came from the oft-quoted thought of Bishop Tutu which has been carefully represented as disinvestment, not sanctions.

But in any event, the committee by a vote of 16 to 1 passed that as a separate bill. That is in front of the Senate now. So the committee has already gone on record with a 2-year gap in favor of these four actions that are often mentioned.

The question then has been, granted that may have been hastily considered one night while we were trying to complete the Foreign Assistance Act, we sort of revisited it in these hearings as to what more ought we to do or should that be accelerated. Many feel that it ought to be and that additional things ought to occur.

But there is a pretty unanimous feeling, almost, in the committee that some activity, some statement ought to occur, and we are on record in terms of the bill that we already have and could advance in that respect.

As I have listened to the testimony, I gather that the rest of the country really has not taken what we have done very seriously. It has certainly made no particular impact. They felt this was sort of a down payment and we were going to move on to other things, and we may as we have a markup and we will try.

I am also, I suppose, more and more of the feeling that as we have talked about it—and Senator Sarbanes commented on this this morning, that objective facts in the market have led people apparently not to make loans as private business people to the South

African Government, and a number of adverse decisions with regard to continuing on business. So as we progress, maybe our function now is to try to formalize what we are about so that it is clear at least to South Africa and clearer to the American people that the Senate takes this seriously.

I am wondering. As I say, we sort of crossed the bridge with the four activities. Granted, there is a 2-year hiatus and Mr. Donahue was suggesting and perhaps you were, too, Ambassador Young, that we accelerate that. Mr. Donahue said as soon as possible and he perhaps would go much further than the four activities. Maybe we should, too. I think we are almost at that point.

But I make that statement so that you know at least the steps we have already taken. The question is, if you were in our shoes what additionally would you do or how would you revise the legislation we have already sent to the floor by a vote of 16 to 1?

Ambassador Young. I would hope for the passage of the complete bill without the 2 years, because I think there is a real question of whether we have 2 years even if it is passed in this session of Congress. I think that the tensions within South Africa, I think, far exceeded any South African's expectations, white or black.

I think you will even see Bishop Tutu since he has been back having real difficulty dealing with the militancy of his own supporters and the emergence of a kind of leaderless chaos. I think you have seen the excesses on the part of the South African Government, where they are frightened of even a funeral procession. You end up with anywhere from 15 to 20 people killed in a funeral march.

And you do have a situation that I think is really much more desperate than we would have thought possible even 6 months ago. I think the stronger the action, the more leverage the administration has.

And I would just like to add that I have tried to make this a bipartisan effort. I think it is important that it be a bipartisan effort. And when we have had demonstrations in Atlanta, GA, we have always invited, and they have always come, the State Republican chairman and the representatives of the house and senate from the State of Georgia.

And while we may slightly disagree on tactics, I think the commitment to do something about the situation in South Africa is one that is developing a national consensus. I think it is important that that consensus be given some leadership by the U.S. Senate.

The Chairman. I appreciate that thought very much. My time has run out, but I am grateful to you for mentioning the need for a national consensus and for a bipartisan consensus on this problem. It is so serious that we really cannot but become involved, and we have at least some responsibility here in this body to try to make that come true.

Senator Sarbanes.

Senator Sarbanes. Thank you, Mr. Chairman.

I think first I ought to observe for the record that at the time of the foreign assistance markup we considered the South Africa issue and addressed it in a separate bill; but at least on the part of many of those who supported it, if now most, that bill was not in lieu of subsequent committee action.

That is obviously why we are having these hearings and why, in fact, we have also scheduled a markup. In fact, the earlier bill was done right on the heels of the Uitenhage, and was designed to send a very immediate, strong message at that time about the killings which had just taken place. Now we are proceeding, in a sense, to the balance of the business that was left uncompleted at that time.

I would like to ask both witnesses, first of all, whether they believe that current American policy toward South Africa is perceived as indulging the apartheid regime there, by the blacks in South Africa, the whites in South Africa, by peoples elsewhere in Africa, in the world, and finally, in this country?

Ambassador YOUNG. I would say the answer is yes, that it is perceived. And I think that is not the intention of the administration, but that is the perception of the South African Government. That is the perception of South African blacks. That is certainly the perception amongst the rest of black Africa. I never talk with African leaders without them expressing their abhorrence of what they feel we are doing and have done in relationship to South Africa.

Mr. DONAHUE. Certainly, Senator, all the South African trade unionists that I have talked to, in every one of those conversations the first thing that it is essential that we do is separate ourselves from government policy. That is not a task we undertake very happily. We have not carried whatever disagreements we have with any administration to foreign lands. That is not our role in life.

But in this case, the very first thing we feel compelled to do is to make clear to the South Africans that we disassociate ourselves from current American policy, because if we do not do that w simply cannot be dealt with, we simply have no credibility in Sout Africa.

Senator SARBANES. Do you believe—and again, this question is to both panelists—that the perception that American policy is indulging the apartheid regime can be changed without taking some concrete steps of the sort contained in S. 635?

Ambassador YOUNG. I really do not think it can. In fact, I think S. 635 is almost the minimum that could be passed with an overwhelming vote by the House and Senate that would get the attention of the South African Government and also of the rest of the world, and say that the United States is seriously concerned and willing to be diplomatically involved in maintaining the possibilities of nonviolent social change. I think that is what we are doing.

Senator SARBANES. Would you say that the protestations in terms of language about the apartheid regime without some concrete measures to back it up, one simply regarded, at least by the South African Government and in South Africa, as a sham?

It seems to me this policy has reached the point where if we really are serious about altering the perception of the American position on this issue, we have got to take some concrete measures to make it very clear. Otherwise I do not see how we are going to alter that perception.

Ambassador YOUNG. I agree.

Mr. DONAHUE. I obviously agree totally, Senator. And we regard S. 635 as a minimum, while having reservations about the pieces of it which I mentioned.

I would only note to you that I heard the earlier testimony about the Sullivan principles. The Sullivan principles must date from 1977 or 1978, and we are sitting here 7 or 8 years later, talking about the reality that a number of American corporations have not yet gotten around to adopting it. Their self-monitored performance is inadequate.

The South African unions really regard the Sullivan principles as inconsequential and their attitude is dismissive as to them. So here we are 7 or 8 years later talking about something that has not done anything for us.

We are, as I say, afloat in rhetoric, and if no specific action is taken now and taken in a way which has effect, I think we do lose all credibility.

Senator **SARBANES**. I have to say I was somewhat taken aback by the testimony of the previous panel, which in effect said that the struggle over policy should be fought out in the private arena by competing private forces, and that the Government ought not to shape the nature of the policy or the framework within which those private elements are going to work.

I am not sure they thought through implications of that assertion. I would think the business community would prefer if they thought carefully about it, to have the Congress and the executive establish a reasonable framework for structuring the relationships, rather than simply leaving it to be fought out in a struggle in the private arena in this country as well as in South Africa.

I wonder if you have some comments on that question.

Ambassador **YOUNG**. I certainly do, because I think when you leave it to the private arena it puts me in a very awkward position as a mayor. While I am trying to run a city and help an American city grow, I have to preside over demonstrations, see some of my council members arrested by my police.

It is clearly an absence of leadership and coordination. People end up lashing out at some other people in American business that are doing the most. I think it is an absence of any kind of coordination.

I was glad to hear Mr. Donahue say that the AFL-CIO is going to begin to target particular offenders, because that would give some leadership to this movement. The reason this movement is taking on steam is it feels as though it does not have the support of the Administration or of the U.S. Government. It is as much anti-Government, anti-U.S. Government, as it is South African Government, and that is unfortunate.

I think our Government needs to be in a leadership role in this movement.

Mr. **DONAHUE**. I obviously agree, Senator. As I listened to that testimony, I had the feeling that the witness would have to be in full support of the wildest university demonstrations that are going on, tearing up campuses and so forth.

I think that is madness, and I think that it feeds the channels the efforts of people into extreme solutions. The Government ought to play the leadership role.

Senator **SARBANES**. I want to pick up on that last point, because I think it is very important. S. 635 is really a very moderate proposal, geared to the proposition that these concrete steps would be sufficient to send a clear new, strong message about the American position against apartheid, to sketch out clearly the direction in which things are going to go if change is not brought about in that regime, and still provide a window of opportunity for such change to take place.

It seems to me unless we structure the development in that way, we are going to have a push to more extreme solutions, which will make more difficult, perhaps, the possibility of working out a solution in a peaceful and constructive way, as difficult as I think that has now become because of the delay over time and the growing consciousness of the people who are being denied.

It seems to me this is a very positive and constructive approach to providing a framework in which to try to address this issue. It would provide some chance—one does not know whether it would be realized—of bringing about peaceful and constructive change in the solution.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Sarbanes.

Senator Kassebaum.

Senator KASSEBAUM. Yes, Mr. Chairman.

When Randall Robinson testified, Ambassador Young, he said South Africa has never believed the U.S. policy. I would like to hear your thoughts, because you were a very influential former of that policy in the past and the present, as the chairman has said.

But as Ambassador to the United Nations, how did you feel the South Africans viewed our position, and did you feel there was a more active role we should have taken then? Would they have been more responsive?

Ambassador YOUNG. I think we pushed the South African Government about as far as we could in the Carter administration. There was a deliberate decision to push on Zimbabwe. We were probably wrong in totally ignoring their domestic situation.

But in every one of my visits to South Africa to talk about Zimbabwe or Namibia, the private conversations that I had with South African Government officials and the conversations that I had with business people in South Africa, the South Africa chamber of commerce, the students at Witwatersrand University, all the controversy was about change.

And I think there was a tremendous informal effort in connection with the negotiations on Zimbabwe and Namibia to begin to get the South African leadership thinking about the kinds of change that are possible.

Senator KASSEBAUM. And you do not think that is happening today?

Ambassador YOUNG. I do not know.

Senator KASSEBAUM. Even Randall Robinson himself acknowledged that there seem to be some hints regarding conversations with the ANC, and I think this is very true. I think there is beginning to appear some very small but significant developments on the part of the Government, for what reason I am not sure.

But I think there is still that same kind of ferment existing today as you spoke of when you were involved at the United Nations.

Ambassador YOUNG. I think it is even stronger on the individual and personal level. I am not sure what the situation is within the South African Government, and I am not sure how much they can do.

I did on one occasion have about a 2-hour conversation with Prime Minister Botha when he was minister of defense. I was impressed then that, while he committed to nothing and never backed off of his total commitment to apartheid, he kept asking me questions about how things worked in Georgia, and there was at least a curiosity about how at that time I was a Member of Congress, elected by a district that was predominantly white, and that intrigued him. He could not understand how that could happen. He was clearly curious about how things worked in the United States.

But in terms of commitment to any change in South Africa, I have never had that kind of commitment or even—I almost have the feeling that every South African Government official I talked to, I felt as though the room in which I talked was bugged and they would never say anything privately that they would not say publicly. So I assume they really believe what they say.

Senator KASSEBAUM. I do not know that we would ever get the public commitment, and I think that we would have to recognize that as we deal with how we can be really some factor in change there, because it may salve our own sense here that we are truly an instrument in that change and be very visible and very public and so forth, and yet not move anything very far along and, my concern is, maybe even cause the opposite effect.

I would not say we have not tried to a certain extent some of these approaches, but I think your analysis of how they will appear in dealing publicly and privately is a very accurate one and a very frustrating one for us. because they can tell things privately that you believe indeed they are going to implement and publicly go out and say the very opposite.

And yet, you can begin to see some small steps. I do not know that we should loudly proclaim that because we made these demands, because what we care about is that the change does occur. I think that is a frustration that we all feel here in trying to design something that may be really useful.

I am interested in your saying that you do believe sanctions work. I have found very few that I thought were successful. Even the ones against Rhodesia really caused Rhodesia to be significantly independent in their economy, even to the effect that they made their own thread.

Ambassador YOUNG. My feeling about sanctions is that selective, targeted sanctions work.

Senator KASSEBAUM. And unilateral?

Ambassador YOUNG. Yes, but I would not advocate unilateral sanctions. I would hope that when S. 635 is passed that our Ambassador at the United Nations would take that before the Security Council as a Security Council resolution, and as a part of a Security Council resolution of the British, the French, and all of the trading partners of South Africa would be held accountable for a similar kind of message being sent.

I think that the targeted sanctions the AFL-CIO talks about could even be unilateral, because of the strength of American-based companies that are operating there, that whatever they do is noticed. And I do not know, I do not see any sanction as totally changing in one fell swoop the system of apartheid.

I think there has to be a consistent series of steps that we work out with them, and that essentially right now, because they refuse to talk to 85 percent of their own citizens and because they have jailed not only the leadership of the African National Congress, but 20 years ago, before they were even talking about violence, the trade union leadership. The United Democratic Front, all of the respected leadership of the blacks, coloreds, and Asians and whites are detained or banned or imprisoned.

So if you just got that situation loosened up a bit and if you ask people—I mean, we make the mistake of arguing with them about final solutions to the race problem when it is enough to talk about next steps. The next step is to release Nelson Mandela and the UDF leadership, the trade union leadership, and set up some method of discussions.

Nelson Mandela asked them to renounce violence in relationship to their black citizens. It should not be hard for a government to say that it is not going to fire on its citizens in peaceful demonstrations. The minimum amount of civility I think is all that is required to preserve the possibility of peaceful change.

But until there is something to get that minimum amount of civility, I think that they are rushing headlong down the path to chaos, in which all American investment will be withdrawn quicker than we could probably get a resolution through the Senate.

Senator **Kassebaum**. I would just like to add, when you were talking about perception, that our perception within South Africa is not always something that we can legislate from Congress. In fact, we really cannot. I think that has to be something that the administration does.

Ambassador **Young**. I was told by Allan Bosack there were exact figures of the number that they felt to be government-related killings. Following the sanctions of the arms embargo, there were none until the election of the Reagan administration, and it was only then that gradually there began to be more of these mysterious killings in prison, beatings of prisoners, firing on demonstrators.

I do not think that was a conscious calculation, but during the period in which black South Africans felt that the U.S. Government was on their side there was some restraint on their part. There was a constant dialog with our administration, and in fact we had two or three black staff members in the Embassy there.

And I concur with your position that a change might be in order there. I wish we could get a good southerner that went through some of the race problems. We have some good southern Republicans. In fact, if it had not been for the Republican judges in the South, we probably could not have made the changes. And there are people with strong Republican credentials in the South that have strong credentials in racial change.

I think that is the kind of Ambassador we should have in South Africa.

Senator **Kassebaum**. Thank you, Ambassador Young.

Thank you, Mr. Chairman.

The **Chairman**. Thank you, Senator Kassebaum.

Mr. Eagleton.

Senator **Eagleton**. Thank you, Mr. Chairman.

I too, like Senator Sarbanes, will ask the same question of both Ambassador Young and Mr. Donahue. Chief Buthelezi, chief of the Zulu Nation, was quoted in the Wall Street Journal in February of this year as follows:

> For large American companies to opt out of the South African situation is to opt out of the prospects of being catalysts in the process of change.

Question. Do you agree with the chief, and is not restricting the growth of a company in South Africa tantamount to opting out, Ambassador Young?

Ambassador **Young**. I do not agree with the chief, and I don't think restricting the growth is opting out. It says no further investment from outside. It does not say that that company cannot continue to grow and expand within the South African Government context.

It says that—S. 635 does not really make American business opt out. It simply says that American business—which I think American business is already saying, but it has the Senate of the United States saying in behalf of the American Government, that we are cautious about continued involvement in this situation and would mandate no further investment. We do not think that bank loans and new investment is called for.

It is sending a message to the South African Government that the U.S. Government is urging some kind of change in order, I think, for our involvement to effect more than the 15 percent of the population that has all the social and economic rights.

The Asian community—and there are Asian businessmen that have operated businesses for five and six generations—they are prohibited by law from owning those businesses. The only people that can own anything in South Africa are whites.

When you are investing in a climate where 15 percent of the population owns everything and maintains all the rights, that is just not good judgment, and it is the Senate of the United States saying that on behalf of the American people.

Senator **Eagleton**. Mr. Donahue.

Mr. **Donahue**. I think, Senator, if the American corporations and the other foreign corporations operating in South Africa were to be the catalysts for change, we would not be sitting here talking about it. They apparently have not been successful in effectuating that change, so I think the issue is a false one.

I guess the chief's comment would be most appropriate, if what we were talking about was the total disinvestment of American corporations in South Africa. Change has occurred in South Africa because the South African people have determined that they are simply not going to accept the status quo.

Change has come in the structure of the unions there because black workers got together and struck in defiance of the law all through the seventies, and the government finally moved in 1979 to say, well, under certain limited conditions we will allow this to continue. Change has come in the pass laws and change has come at various stages in residence regulation because the people have said, we are tired of it, there has to be a change here.

The change will come from within. I think our only role is to determine whether we want to be supportive of it or not, and if we want to be supportive we have to do that, I believe, now and not in 2 years, with all due respect to Senator Lugar, not 2 years or 3 years down the road.

Bishop Tutu said when he went back to South Africa after his recent stay here he thought there were 18 months to 2 years available for something to happen there. That is the framework that he is guessing at as a time for the accomplishment of real peaceful change.

I do not know how we can now talk about postponing the four steps or sanctions or however you wish to describe them, how we can talk about postponing those things until it is going to be too late. By Bishop Tutu's description, that will be too late.

Senator EAGLETON. Neither one of you are recommending total disinvestment at this time. Why not?

Mr. DONAHUE. For our part, in terms of our policy on South Africa, we are conducting ourselves as we do in the context of every other trade union group around the world that we have worked with. We take our policy direction from the trade unions in the country and we look to them for their decision on what their needs are and what we can do to assist in meeting those needs.

The black South African unions have not asked us for a policy of total disinvestment. They participated in the ICFTU meeting and they fully supported a resolution on targeted disinvestment which said following the determination of a selection of targets, efforts will be made to force those companies to behave properly, and then if necessary a total disinvestment campaign against that targeted company will begin.

Those companies would not be selected by the AFL-CIO. They will be selected by the world trade union movement in concert with the South African unions. And they will not be just American, but they will be companies of whatever nations are principal investors in South Africa.

Senator EAGLETON. Ambassador Young?

Ambassador YOUNG. My own experience is that sanctions, in order to be effective, have to be very specific. What I would do in relation to South Africa is to provide for the possibility of nonviolent social change, and I think by targeting our approaches, and by taking on one issue at a time, I think it is possible to move that government along, and to move that situation along I think quite rapidly with a bipartisan consensus and with the Congress and the administration working together with the business community.

I think the minimum amount of possibility to produce that change and to get a consensus that I think the government, the administration, the Senate, and the private sector can live with is S. 635.

Senator EAGLETON. The Economist, the most literate magazine in the English language, in its March 30, 1985 edition wrote as follows:

> But genuinely new inward investment from all sources has slowed to a trickle. Inflows are barely a third the level of dividend payments overseas. The disinvestment lobby is working on a tiny margin of the South African economy.

Then it goes on to write:

> Nobody could pretend that ostracism does not hurt, nor that disinvestment and other sanctions would not inconvenience and demoralize many white South Africans. Yet the only practical program for externally induced change in South Africa which the disengagement lobby has so far offered is that of "conditionality" now being debated between Congress and pressure groups in Washington.
>
> This involves a progressive imposition of economic sanctions pending a monitored and approved plan of internal reform.

Then the article goes on to point out why that will not work. What is your comment on the Economist quotations as read, Ambassador Young?

Ambassador YOUNG. I do not know that the British have much experience with race relations. They are not doing such a good job of it at home. Everywhere they have been in the world they end up in partition. I think that our experience of people learning to live and work together is much more relevant.

It is rather idealistic to believe that people of different colors and different cultures can develop a society in which they can coexist, but you know, when people work at it it can be done. It was working at one time in Lebanon. It was very delicate. It requires the full support of the world community. It is working in the United States, but it did not have to be that way.

I remind people all the time that everybody came back from the Second World War and kept their guns. Everybody in the South had guns, blacks and whites. And still do. And they very easily could have turned on each other had it not been for outside pressure, in our case from the north.

There was also a tremendous amount of world opinion that came to bear on the United States during that period, and we decided through our Government and through our private sector to take the leadership, and I remind people all the time that the apartheid laws of the south were wiped out by the business community. In Atlanta it was 2 or 3 years before the Government followed. The Government reluctantly came along in Alabama, but only after a great deal of turmoil.

I think that we have demonstrated that it is possible to have change without bloodshed, and I don't know that the British know very much about that. I think that American leadership really and truly is required here if there is going to be any kind of business climate.

The most cynical thing we could do right now is nothing. To do nothing—there are those who really believe that the destruction of South Africa is inevitable—sit back and allow the bloodshed to occur, and it probably will.

I think aggressive actions like S. 635 really are far more important than the details of the legislation indicate, and they do have—well, they help people to do what they want to do anyway.

I believe there are lots of white South Africans in the Government that would like to do more than they are doing, but if they did anything, they could not get reelected, so how do you put enough additional pressure into the situation to give them some rationale for doing the things that they know they need to do, but they don't have the political and moral authority in their own political system to do?

Senator **Eagleton**. Can I get a brief answer from Mr. Donohue, Mr. Chairman?

Mr. **Donohue**. Senator Eagleton, I must utterly disassociate myself———

Senator **Eagleton**. It would be hard to top that one, I know.

Mr. **Donohue**. That is true. I do think some attention ought to be given to the fact that our ability to perceive human rights violations, our ability to be concerned about them is, I believe, a more finely honed perception than that of lots of other people around the world, the British included.

I have spent time in Ireland with very well meaning and very well intentioned British and Northern Ireland representatives, and we simply have totally different perceptions. Theirs is a much more limited perception than ours, because we have been through the fire of our own struggle. I think that is terribly significant.

If I might add just one comment, Mr. Chairman, there is one note in our testimony I would like to call specifically to the committee's attention.

We have proposed to the International Labor Organization at its meeting in Geneva next month that it establish a docment and research machinery to examine all the corporations operating in South Africa, examine their performance with regard to recognition and fair treatment of trade unionists with regard to training of black workers and observance of labor standards.

It would be very helpful for this committee to offer an expression of support for that program to the U.S. Government representatives to the ILO meeting next month. If that is somehow within the purview of this committee, a letter to that effect would be very helpful in moving the U.S. Government representatives to support that proposition.

The **Chairman**. Thank you very much, Ambassador Young, Mr. Donohue. We appreciate your testimony and your staying with us throughout this period. Likewise my colleagues, Senator Sarbanes and Senator Eagleton.

The hearing is adjourned.

[Whereupon, at 1:10 p.m., the committee adjourned, subject to call of the Chair.]

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